

FBIS

DAILY REPORT

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EEC-CENTRAL AMERICAN SUMMIT RELEASES DECLARATION

PA130238 Madrid EFE in Spanish 2247 GMT 12 Nov 85

[By Pilar Dominguez]

[Text] Luxembourg, 12 Nov (EFE) -- The respect for human rights, peace, democratic freedoms, sovereignty of states, and socioeconomic development are the goals established in the EEC - Central American summit's political declaration. The foreign ministers of the Central American countries, Contadora Group member-countries, and the EEC, including Spain and Portugal, approved a joint declaration in Luxembourg today. They assert in the declaration their wish to quickly adopt the Contadora Group's document for peace and cooperation in Central America. The establishment of a system to control and reduce armaments and military forces, to eliminate the foreign military presence as well as intimidating and destabilizing actions, as well as terrorism, subversion, and sabotage, were some of the principles accepted by the signatory countries.

Following difficult debates yesterday and today between the Central American countries, the region's representatives achieved a consensus concerning the political declaration. The declaration was later approved by the EEC, Spanish, and Portuguese ministers. For the first time in the EEC's history its representatives approved a text in Spanish without having to translate it into the community's seven languages, it was underscored by EEC sources.

The signatories of the declaration reasserted their conviction that the political dialogue and economic cooperation will contribute to achieving the following goals:

-- Support the efforts aimed at stopping violence and instability in the region, particularly the efforts exerted by the Central American states within the framework of the Contadora Group's diplomatic contacts.

-- Achieve, within the Contadora Group's process, a negotiated political, regional, and overall solution which is derived from the region itself and is based on the principles of independence, nonintervention, self-determination, and inviolability of borders.

-- Create a climate of trust, which allows the Central American states to live in peace and encourages their mutual cooperation, with the intention of strengthening their integration, thus supporting their economic and social development.

-- Fulfill the efforts exerted by the Central American countries toward an interregional cooperation, to overcome economic differences and social injustice.

-- Strengthen, within a national juridical order, the democratic principles and institutions, and promote the national reconciliation in all the countries of the region, within the framework of pluralist and joint political systems.

-- Develop and guarantee human rights and fundamental liberties in all the countries, including respect for the people's integrity and press, union, and religious liberties.

-- Establish, within the framework of the Contadora Group's process and according to international laws, a reliable regional security system which includes effective policies aimed at curbing the arms buildup in all its forms.

Based on the support asserted by the EEC and Central American countries, the Contadora Group's member countries reasserted their firm decision to continue their efforts to achieve an agreement for peace and cooperation in Central America. The signatory countries reasserted their conviction that the conflicts in Central America cannot be solved by force, and stated the need for a peaceful solution based on the principles of the UN and OAS Charters, particularly the principle concerning the respect for national sovereignty and independence.

The ministers of the EEC, Spain, Portugal, the Contadora Group, and Central American countries praised the Argentine, Brazilian, Peruvian, and Uruguayan Governments' decision to comprise a group to support the Contadora Group's peace efforts.

Agreement Details Described

PA121930 Madrid EFE in Spanish 1815 GMT 12 Nov 85

[By Pilar Dominguez]

[Text] Luxembourg, 12 Nov (EFE) -- The EEC and the six countries of Central America (Nicaragua, Guatemala, Honduras, El Salvador, Costa Rica, and Panama) signed an economic cooperation agreement today. The signing of this agreement this afternoon concluded the second summit of EEC foreign ministers with Spain, Portugal, Central America, and Contadora. The first meeting with these participants was held in San Jose, Costa Rica, in June 1984, which established the objective of setting up ties of cooperation between the two regions.

The participants at the meeting signed a final document this afternoon which institutionalizes political dialogue between the EEC and Central America. Also, the representatives of the 21 countries issued a joint communique in favor of maintaining peace in the Central American region. The cooperation agreement is valid for 5 years, tacitly can be prolonged for 2 more years, and covers commercial, economic, and financial areas.

With the signing of this agreement, the EEC commits itself to contribute to improving the socioeconomic conditions in the region with the final objective of securing a lasting peace in the Central America. The EEC will direct its efforts at promoting in Central America agriculture-livestock development, industrial, agro-industrial, and energy development, and promote technological and scientific progress. The creation of new jobs, the protection and improvement of the environment, and the integration of the Central American countries are other objectives of the agreement signed today.

The parties commit themselves to facilitate and promote cooperation between the financial institutions of the two regions, the European Investment Bank (EIB) and the Central American Bank of Economic Integration (BCIE). Although a figure on the EEC financing to Central America was not given, the foreign ministers expressed their agreement that it must be substantially more than that of the two previous years (some \$40 million ECUs annually -- an ECU is equivalent to \$0.85). This aspect of the agreement must be carried out by the economy and finance ministers of the EEC to include the figure in the annual EEC budget.

The community will promote European investments in Central America, the text of the agreement said, and establishes the creation of a mixed commission to supervise cooperation and attend to the priorities defined by the countries of the Central American isthmus. In the commercial area, the two parties commit themselves to promote exchanges at the highest possible level, granting preferential status in duty and diverse tariffs, customs handling, transit, storage, and transshipment.

'Heated Debates' Reported

PA130247 Madrid EFE in Spanish 0116 GMT 13 Nov 85

[Text] Luxembourg, 12 Nov (EFE) -- With the signing of an economic cooperation agreement and a political declaration, the EEC and the Central American countries today took the first step toward strengthening their mutual relations in the search for peace in the Central American region. The EEC-Central American meeting, attended by the foreign ministers of the EEC, Spain, Portugal, Central America, and the Contadora Group countries -- Mexico, Panama, Colombia, and Venezuela -- ended this afternoon in Luxembourg, with the unanimous decision of promoting peace and prosperity in Central America.

After signing the cooperation agreement and confirming approval of the political declaration by all the representatives, Jacques Poos, foreign minister of Luxembourg and president of the EEC Council of Ministers, invited his colleagues to toast the success and future of the cooperation between the two regions. Poos stressed the importance of the economic agreement, based on the principles of a mixed economy, whose objective is to contribute to development and peace in the Central American region.

The signatories of the cooperation agreement approved the establishment of a political dialogue among themselves, as well as an annual ministerial meeting, which will be held next year in Guatemala. The cooperation agreement will have a 5 year duration that can be extended, and it covers the areas of commerce, economy, and finance for the development of the Central American region.

Spanish Foreign Minister Francisco Fernandez-Ordonez said that Spain would have liked to have seen a more generous cooperation agreement on the part of the EEC between the EEC and Central America.

Mexican Foreign Secretary Bernardo Sepulveda said today's act has given a new push to the negotiations for the approval of the Contadora Plan. In this respect, the foreign ministers of Central America and of the Contadora Group met again after the EEC meeting, trying to advance decisions for peace in the region.

After heated debates and accusations, mainly from Honduras against Nicaragua, the countries of the Central American region managed to reach an agreement on the terms of the joint political declaration, which was approved without problems by the EEC. The Central American agreement, contained in the political declaration, is based on a commitment to respect human rights, the establishment of peace, democratic pluralism, the preservation of the states' sovereignty, their economic and social development, and regional integration. The Central American countries also agreed to try to approve as soon as possible the Contadora Plan, to establish a control on the arms race, to reduce their armies, and to terminate the foreign military presence, terms included in the joint declaration on Nicaragua's request. The political declaration also mentions the agreement to prohibit the use of intimidating and destabilizing activities and to struggle against terrorism, subversion, and sabotage. Diplomatic circles commented on the importance of the political declaration which contains the most contentious issues in the peace negotiations for the Central American region.

Contadora To Meet Again

PA130436 Madrid EFE in Spanish 2255 GMT 12 Nov 85

[Text] Luxembourg, 12 Nov (EFE) -- The Contadora Group and Central American foreign ministers who met today in Luxembourg agreed that the next meeting of plenipotentiaries will be held on 19, 20, and 21 November in Panama.

Diplomatic sources considered that the level of the meeting will delay the signing of the final document for peace in Central America.

Colombian Foreign Minister Augusto Ramirez Ocampo said that there are still two points on which no agreement has been reached in the Peace Document for Central America: disarmament and military maneuvers. Regarding the latter point, one of the countries wants the military maneuvers to be regulated, while another country wants their suspension. Ramirez Ocampo did not specify what countries they are, but it seems as if he was referring to Honduras and Nicaragua, respectively. Ramirez Ocampo added that in general, the talks are going well.

The deadline for the signing of the final Contadora Document had been set for 21 November.

Colombia's Ramirez Views Accord

PA121359 Paris AFP in Spanish 2157 GMT 11 Nov 85

[Excerpt] Luxembourg, 11 Nov (AFP) -- Colombian Foreign Minister Augusto Ramirez Ocampo today made statements in Luxembourg on the need for "multipolarity" in international relations against the hegemony of the superpowers. He spoke during the opening of the meeting of the 21 EEC foreign ministers, future EEC members Spain and Portugal, Central America, and the Contadora Group (Mexico, Panama, Colombia, and Venezuela). The meeting is to conclude tomorrow, Tuesday, with the signing of a political agreement and an economic cooperation agreement.

Speaking on behalf of the Contadora countries, the Colombian foreign minister asserted that the Luxembourg meeting must be celebrated "as the decline of the Monroe Doctrine ('America for the Americans') and that the doctrine must be considered as American isolationism or the subjection of the hemisphere's fate to a single power." He added: "A bipolarity that attaches all responsibility to two superpowers, divides the world, and determines how it must behave cannot be fully understood." He expressed satisfaction over the fact that Latin America and Europe have come closer together. Ramirez Ocampo asked the EEC to help Central America "restore and modernize" its integration mechanisms since "history and geography force" this region to be united.

In addition, he said he feels the Contadora Group's draft of a peace document for Central America "constitutes a coherent and organized body of commitments that permits the establishment of bases for coexistence supported by political trust and good faith." He added: The EEC "can contribute much to Contadora's peace effort, not only through political support but also through direct cooperation with the mechanisms provided for the execution and follow-up of the commitments included in the document, as well as through effective development projects and technical and financial assistance."

Gutierrez on EEC Cooperation

PA121554 San Jose Radio Reloj in Spanish 1200 GMT 12 Nov 85

[Text] Speaking as the spokesman for the Central American countries at the Luxembourg conference, Costa Rican Foreign Minister Carlos Jose Gutierrez said that this meeting is of special importance for the six Central American countries. Some may say that signing a cooperation agreement is nothing new, but we are pleased to see that the search continues to further strengthen, intensify, and invigorate European-Central American relations. Foreign Minister Gutierrez added that not only Central America, but all of Latin America feels a special attraction toward Europe.

Regarding the basic treaty [tratado marco] that will be signed during the Luxembourg conference, Foreign Minister Gutierrez said that a new tie between the Europe of the 12 and the Central American countries is taking shape. We begin to see an effective strengthening of the ties that join us, a link based on new foundations and with undoubtedly more promising perspectives than the ones achieved up to now through the separate bilateral contacts made by the countries of the isthmus with the countries that form the EEC. The treaty is not all that the Central Americans hoped it would be, Gutierrez added, but we probably were too optimistic or perhaps we did not view the possibilities adequately.

When stating that the treaty opens a new phase and creates a legal framework for future agreements that will undoubtedly follow, Foreign Minister Gutierrez said that the text of the basic treaty includes several objectives that are priorities for Central America. One of the most important of these objectives is the reinforcement and institutionalization of relations between the EEC and the Central American isthmus. This represents the legal establishment of a hope that had been present in our spirits for the past few years, Gutierrez added.

Foreign Minister Gutierrez said that Central Americans view the creation of a mixed cooperation commission that would promote and evaluate the cooperation actions on a yearly basis as an important structure for dialogue. Gutierrez said that the Central Americans trust these activities will allow us to build a more vigorous system of cooperation and mutual understanding. We understand that the situation is not an easy one for the interested parties; the crisis is affecting us all, Europeans as well as Central Americans, but it also opens a vast horizon for the Central American region, the foreign minister said.

Sepulveda on Contadora Efforts

PA121358 Paris AFP in Spanish 2112 GMT 11 Nov 85

[Text] Luxembourg, 11 Nov (AFP) -- If the Contadora Group does not continue its peace efforts in Central America, "a very dangerous political vacuum" will be produced, Bernardo Sepulveda, Mexican secretary of foreign relations, said today in Luxembourg. Sepulveda is here to participate in the meeting of the 21 foreign ministers of Central America, the EEC -- plus its future members, Spain and Portugal -- and of the Contadora Group. At the end of a meeting between the Contadora foreign ministers and representatives of the European Parliament, Sepulveda emphasized to a group of reporters the interest of the EEC in contributing to the establishment of a dialogue with Central America.

The European parliamentarians, he noted, indicated that "Contadora is the only feasible solution to achieving a negotiated, peaceful solution in Central America; the military solution must be totally discarded." Referring to the economic cooperation accord between the EEC and Central America, expected to be signed tomorrow, Tuesday, he pointed out that it "must mark the beginning of a much more ambitious project which will establish a formula for strengthening the integration process of the Central American economy."

Asked about the arbitration role which, according to several sources, Mexico is playing between Honduras and Nicaragua for an agreement on the final document of the Luxembourg meeting, Sepulveda limited himself to saying that his country "is trying to contribute to bolstering the political view" being brought up. "The mere fact that a meeting of 22 European and Latin American foreign ministers is being held for the first time in Europe is in itself an important political factor," the foreign minister noted, adding that it will permit strengthening political bonds between Latin America and the EEC.

To a last question on the possibility of extending the deadline of 22 November for the signing of the final Contadora document, he did not discard such a possibility, and indicated that it may be "advisable to make a greater effort for the purpose of reaching an agreement."

Defends Viability of Contadora

FL090310 Mexico City NOTIMEX in Spanish 2335 GMT 8 Nov 85

[By Roberto Vizcaino]

[Excerpts] Brussels, 8 Nov (NOTIMEX) -- The Contadora Group's peace process for Central America has created a forum for dialogue that permits the governments of the region to discuss their differences, for which reason it cannot be destined to fail, Mexican Foreign Secretary Bernardo Sepulveda said here today.

In a clear reply to the statements that Salvadoran President Jose Napoleon Duarte made last week in Paris and Madrid to the effect that, because of a lack of political will, Contadora has no future, Sepulveda stressed the fact that the opposite is proved by the fact that, because of the peace-seeking efforts of Contadora, war has been avoided for 3 years. The Mexican secretary of state stressed the fact that the negotiations by the Contadora Group -- which consists of Venezuela, Colombia, Panama, and Mexico -- are about to end, thanks to the coresponsibility for and participation in a consensus by the governments of the region.

Sepulveda said the only step that still needs to be taken is to negotiate the creation of a demilitarization verification and vigilance commission for Central America which will take charge of reducing the arms race, eliminating destabilizing operations, returning military advisors, and suspending war maneuvers and the installation of military bases. The start-up of such a commission, Sepulveda said, will require the agreement and cooperation of third nations divorced from the conflict that will participate unselfishly and without ambiguities. Nevertheless, he said, what will be most necessary is the political will of the interested governments and a great effort to respect the norms agreed upon through consensus within Contadora.

Urges EEC - L. American Cooperation

FL121720 Mexico City NOTIMEX in Spanish 0316 GMT 12 Nov 85

[Text] Luxembourg, 11 Nov (NOTIMEX) -- The perspectives for Latin American solidarity and cooperation with the European community are blemished by the slow growth in economic activity caused by protectionism which severely limits trade, Mexican Foreign Secretary Bernardo Sepulveda Amor has said. Speaking at the meeting of foreign ministers of Central American, Contadora Group, and EEC countries, Sepulveda Amor said it is necessary to promote cooperation that takes advantage of, and strengthens, potential economic complementarity to favor development. He said the reactivation of the most industrialized economies and an increase in foreign investment do not by themselves represent a solution to the grave economic crisis.

He said it is necessary effectively to open markets to Central American exports, to stabilize the prices of the area's main export products, to make credits available for development programs, to achieve international monetary stability, and to find a solution to the problem of the foreign debt.

The Mexican foreign secretary said the gravity of the political situation in Central America makes it necessary to reduce the distances between the different positions of countries in the region. He suggested that countries with ties and interests in the area contribute in good faith with their political and diplomatic influence to the adoption of compromise positions that have essentially been defined during the prolonged process of negotiation. Sepulveda Amor stressed the fact that dialogue and cooperation must not open the way for accusations and intolerance and that nothing hurts the chances of an authentic solution as much as the exacerbation of opposing interests. He said that, to break the vicious circle of political distrust and economic regression, it is necessary to turn to peaceful coexistence based on unlimited respect for the sovereignty of each state and to reconcile the legitimate interests of each state.

The Mexican foreign secretary said the meeting will make it possible to make significant progress in fulfilling the hopes that were created by the San Jose meeting, held 1 year ago.

Finally, Sepulveda Amor said that signing the Contadora peace and cooperation document is not by itself sufficient to solve the problems of the area although it is possible to say that, when the document has been adopted and put into effect, the problems will begin to be solved.

Sepulveda Chairs Committee

FL090030 Mexico City NOTIMEX in Spanish 2110 GMT 8 Nov 85

[Text] Brussels, 8 Nov (NOTIMEX) -- Mexican Foreign Minister Bernardo Sepulveda and the EEC President of North-South Relations, Claude Cheysson, today presided over the sixth meeting of the joint Mexican-EEC Cooperation Committee. The meeting is being held in response to the Mexican government's plan to increase trade with EEC countries and increase the access of Mexican products not related to the oil industry to the EEC market. The purpose of the meeting is to assure a continuous and growing flow of financial resources that tend actively and selectively to promote direct investment in Mexico in sectors of priority interest.

It has been reported that the enlarged EEC is Mexico's second most important trading partner, with a trade volume of over \$5 billion. More than \$28 billion of Mexico's foreign debt is owed to the EEC, which supplies 20 percent of all direct investments in Mexico, for which reason EEC countries are of priority interest for the present administration's international economic policy.

During the meeting, new areas of cooperation in the trade, industrial, energy, agricultural, fishing, scientific, and technical sectors were studied. The parties attending the meeting expressed their approval of the progress achieved since the last meeting of the commission in 1984 and exchanged information on new projects suggested by all the delegations.

D'Escoto: U.S. 'Main Obstacle'

PA121433 Paris AFP in Spanish 1404 GMT 12 Nov 85

[Text] Luxembourg, 12 Nov (AFP) -- At a news conference held here today, Nicaraguan Foreign Minister Miguel D'Escoto said that Nicaragua implicitly conditions the signing of the Contadora peace document to a suspension of the U.S. aggression against his country. "The continuation of the U.S. aggression prevents us from seriously discussing the arms reduction (foreseen in the Contadora document)," D'Escoto noted. "How can a country that is being attacked be asked to stop arming itself?" D'Escoto asked, stressing that "the United States continues to be the main obstacle" to the signing of the peace document.

He also described as propaganda the statements made by Honduran Foreign Secretary Edgardo Paz Barnica yesterday when he said that "his country is willing to sign the peace document right away."

"They do not accept the prohibition of the foreign military presence in Central America. They do not even agree that military maneuvers be regulated as to how often they are held and the number of troops involved," he said. "The main obstacle (to signing the document) is that one," he added.

D'Escoto came to Luxembourg to attend a meeting of the 21 foreign ministers of Central America, the EEC -- including Spain and Portugal -- and the Contadora Group, which ends today.

Tinoco: U.S. in Honduras

PA121413 Managua Radio Sandino in Spanish 1229 GMT 12 Nov 85

[Text] Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco said yesterday in Luxembourg that Yankee military advisers are in Honduras directing the mercenary war against Nicaragua, and Nicaragua is willing to suspend the purchase of weapons if Honduras agrees to forbid U.S. military maneuvers in the area. Tinoco made this statement following Honduran Foreign Secretary Edgardo Paz Barnica's charge to the effect that Nicaragua is a totalitarian country by nature and that it hinders the peace agreement. Tinoco added that Nicaragua has always been willing to sign the peace agreement if the United States ends its military aggression against the Nicaraguan people. Deputy Foreign Minister Tinoco also said that asking Nicaragua to withdraw its weapons would be the same as asking that we commit suicide. Tinoco upheld the revolutionary government's firm position that the weapons purchased are for defense in the face of the constant aggressions of the mercenaries who are financed and supported by Reagan's government.

While admitting the war potential in his country, Paz Barnica said that the Yankee military advisers who are in Honduras directing the military actions against Nicaragua are there because his government is sovereign. In this manner, Paz Barnica has admitted that the aggressions carried out by the mercenaries against Nicaragua come from Honduras.

Ministers View Peace Plan

PA121356 Buenos Aires REUTER in Spanish 2154 GMT 11 Nov 85

[Text] Luxembourg, 11 Nov (REUTER) -- Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco said today that the Sandinist government will maintain its military power until Washington puts an end to what he called its "war against that country." Tinoco, who is here attending a meeting with the EEC foreign ministers, said to journalists: "The first step for achieving peace in Central America would be for (President Ronald) Reagan to discontinue his war against Nicaragua."

At the conclusion of the 2-day meeting here, the EEC and six Central American states are expected to sign an economic cooperation agreement and another one to begin a formal political dialogue. However, diplomatic sources said that the EEC members have still not agreed on the terms for granting aid to the region.

Tinoco said that if the United States agrees to reduce its military presence in the region and if the Honduran Government bans the U.S.-backed maneuvers, Nicaragua would be willing to begin talks and to reduce its military power. However, a reduction of the Nicaraguan military forces without these measures would be "suicide," he said.

Tinoco made this statement shortly after Honduran Foreign Secretary Edgardo Paz Barnica accused Nicaragua of unnecessarily delaying the peace initiative for Central America promoted by the Contadora Group, whose representatives are also present at the Luxembourg meetings. Paz Barnica told journalists that Nicaragua's refusal to accept a reduction in its Soviet-backed army was the main obstacle for agreement on the peace plan prepared by the Contadora Group. Paz Barnica said that Honduras and other states are willing to sign immediately. Honduras is also willing, if necessary, to ask the United States to withdraw its military advisers from its territory, which is one of the conditions presented by Tinoco for accepting a reduction of Nicaraguan forces.

However, Paz Barnica said that U.S. presence in Honduras is currently necessary in order to counter the Nicaraguan threat. Paz Barnica praised the EEC efforts in support of the Contadora peace initiative, which calls for a withdrawal of all the foreign troops and advisers from Central America and for the creation of a peace force, in which the EEC has said it will participate.

During talks prior to the meeting, EEC ministers agreed on the need to put an end to violence, to safeguard human rights, and to restore peace, stability, and democracy in Central America.

On behalf of all the Central American states, Costa Rican Foreign Minister Carlos Jose Gutierrez said today at the meeting that the draft agreement with the EEC included all of the region's aspirations and will bring about greater cooperation and understanding. In a speech made public in Luxembourg, Gutierrez told the ministers that "the political dialogue...should develop into solid support for the peace negotiations in Central America."

On behalf of the Contadora Group, Colombian Foreign Minister Augusto Ramirez Ocampo told the ministers that the EEC is called upon to play a formidable role as a guarantor of peace in Central America. The Contadora Group's plan is still at a stalemate due to internal disagreements on the system of controlling arms buildups and putting an end to the military maneuvers in the region, Ramirez Ocampo said.

At the inauguration of the talks, Luxembourg Foreign Minister Jacques Poos, who is also the current president of the EEC Council, asked all the nations in the region to support the Contadora Group's plan.

UNO Seeks Aid Reduction

PA121453 Hamburg DPA in Spanish 0907 GMT 12 Nov 85

[Text] Luxembourg, 12 Nov (DPA) — The Nicaraguan Opposition Union, (UNO), which comprises political and armed groups opposed to the Sandinist government, today demanded in Luxembourg that no aid be given to Managua as long as there is repression and as long as it does not establish a national dialogue in Nicaragua. In a note sent to Luxembourg Foreign Minister Jacques Poos, president of the conference of foreign ministers of the European Community, Spain, Portugal, Central America, and the Contadora Group, a conference that opened yesterday, UNO said that it appreciates the aid being given to Central America and Nicaragua but expressed concern over the economic backing that will be given to the Sandinist regime, which has increased its repression and has suspended fundamental rights.

During a brief interview with DPA, Alfonso Robelo -- a political member of the opposition group -- said that his organization is very much concerned because of the possibility that this support could be manipulated internationally by the Managua government to make it appear as approval "for a totalitarian regime that has enslaved our people."

Robelo said that the European Community should increase its aid to Costa Rica and Honduras where many Nicaraguan refugees have gone, thus becoming a heavy burden for those countries, which receive insufficient support from the United Nations.

If the Nicaraguan Government were ready to reduce its arms buildup, based on the Contadora Group's Peace act, then UNO and its organizations, "which have repeatedly offered a ceasefire, would be prepared to accept commitments such as those calling for respect for human rights and for not having foreign (military) advisers." [sentence as received] Robelo stated: We agree with Costa Rican Foreign Minister Carlos Jose Gutierrez that if the Sandinists were to comply with the Contadora Act, the very nature of the Managua government would have to change. He added: It could not be totalitarian, and this would open a door that would lead to a solution of the Nicaraguan crisis.

FURTHER REPORTAGE ON LUXEMBOURG MEETING

For Madrid EFE and Paris AFP coverage of the meeting in Luxembourg between EEC foreign ministers and their counterparts from Nicaragua, El Salvador, Honduras, Guatemala and Costa Rica as well as the four members of the Contadora Group, see the European Communities section of the 13 November Western Europe DAILY REPORT and subsequent issues.

PERU'S ALAN GARCIA SPEAKS AT FAO CONERENCE

PY120311 Lima Radioprogramas del Peru in Spanish 0940 GMT 11 Nov 85

[Speech delivered in Rome at the opening session of the 23d FAO conference by President Alan Garcia Perez -- live]

[Excerpts] Mr Chairman; Mr Director; ministers and delegates:

I am here at this (?McDougal) conference because we have decided to follow a different path. We have dropped the IMF's policies and decisively opted for the path and teachings of FAO. After rescuing the agrarian sector as a source of well-being and nutrition, we are now determined to expand production, increase consumption, facilitate credit, and promote productive public expenditure. Having the alternative of choosing between FAO and the IMF, we have opted for the first because our governments must not pay the foreign debt or accept those conditions that will undermine development. As Christians and human beings it is the duty of our governments to struggle against hunger and to reassert justice, because everything can be sacrificed save for the inalienable right to life.

This is why, fellow delegates, we have established a nationalistic and democratic government. This government is nationalistic regarding the foreign debt because it is determined to defend the domestic market and the recovery of its resources. It is a democratic government because it is determined to eradicate injustice and build an economic model whose basic goal will be to feed today's population as well as that of the future. This is why we have an imperative to assure the establishment and prevalence of a new economic order and to insist on the same goal that over a decade ago the FAO conference established as its objective: to abolish malnutrition.

We will not achieve this by begging for charity, but by demanding the establishment of a more just system recognizing the value of the work of poor nations and the equal sovereignty of our nations. The world needs a new basis for trade and the distribution of resources. The monetary economy demands a new system which does not recognize the dollar as the sole universal currency, because in doing so we have become tools of a single country.

But for this transformation to be possible, we have asserted a nationalist concept -- the right to an autonomous existence, the right to work, the right to defend our industries from liberal economic policies, the right to plan the economy, and the right to orient our resources on the basis of a traditional economic model based on nutrition, agriculture, and fishing.

It is because of this that we have decided to drastically limit the resources previously used to service the foreign debt, particularly that with the commercial banking sector. We maintain that this is an unjust foreign debt based on unjust trade terms, increased by usurious interest rates, and aggravated by protectionist policies that diminish the prices of our products and impede trade in these products. History shows that the purpose of maintaining a financial relation through the vicious circle of granting new credits only leads to a more serious situation. We regret that those countries that have more powerful economies do not understand the need to achieve a political solution to this problem. We regret that the many negotiations and meetings have not led up to an agreement between debtor countries.

We believe in common action and in solidarity, but we do not believe in useless inactivity. We also believe in national decisions; that is why we refuse to continue contracting more debts to pay previously contracted debts and why we reassert our decision to allocate 10 percent of incomes derived from exports, to use \$1 out of \$10 derived from exports, to service the foreign debt.

At a time in which hundreds of millions of human beings in Africa, Asia and Latin America are (?anxiously) waiting for food, at a time when our societies are marked by misery and violence, banks can wait. The poor of the world, reason, and justice have waited long enough.

Peru's decision means that the interest rates and terms of the debt will vary by allocating a maximum amount for its servicing. But this is mainly the answer, the action, and the intention of a poor nation which will not go back on its word.

The proposals made during the last IMF meeting in Seoul, Korea to establish new credit lines through other financing institutes only aim to avoid a deficit for the IMF. These proposals implicitly seek to safeguard the prevalence of monetarism as an official theory and to reassert the prevalence of an institution whose theories and methods are aggravating the problems affecting our countries.

Because we have upheld these positions, Peru has been declared a value-impaired country by the U.S. banking system and credits and disbursements have been halted in keeping with limitations and regulations. But these sanctions will not make us go back on our decisions, because we believe that this is the price we have to pay for safeguarding our sovereignty and feeding our people. We have rejected the mediation of the IMF in order to reassert our right to establish an economic reform plan without foreign intervention, since the IMF's letters of intent mean a surrendering of national sovereignty, the opening of our borders, the devaluation of our currency, an increase in interest rates, and a decrease in public spending by the government.

We have opted for a diametrically opposed path. We reassert our plan to establish a sovereign economic model through a substantial decrease in domestic interest rates, the stability of the exchange rate, control of prices, and a decrease in the profit margins of the monopolies. As evidence of what nations can do without the tutelage of the IMF, I can note that in merely 2 months, our inflation rate decreased from 11 percent to 3 percent per month. By decreasing the servicing of the foreign debt and limiting the purchase of arms and unnecessary imports, and by increasing state participation in the exploitation of resources, such as oil, the government can now allocate more resources to the social service sector and to economic recovery, particularly to increasing agricultural production.

We will not sacrifice the historic development of Peru or the nutrition of its people to meet the selfish objectives of the international banking system. The prices of our agricultural products, the prices of meat, milk, cotton, sugar, copper, silver, and fishmeal are decreasing daily as a result of the protectionist policies that have been adopted by more powerful countries, which subsidize their domestic production to control the international export economy.

While the prices of our resources decrease, it is demanded that we pay banks punctually and without compassion. What are we going to pay them with? Why should we pay them? We believe that we must first defend our resources. Unlike Shakespeare's "Merchant of Venice," we will not pay with the flesh and blood of our people. We will defend and safeguard those interests and resources that, because of the vicious structure of the international economy, were previously oriented toward foreign consumption. WE shall do this in keeping with a historic and geographic tradition to rescue what Peru once was.

A revolution is only the conquest of one's own history. This is why we tell those who ask what will be done with those resources not kept in Peru that these resources will be used to build a new socioeconomic system that can be described as a model of democracy based on the better nutrition of its people [una democracia para la alimentacion].

I wanted to note that the nutrition model proposed by the Peruvian Government is the basis for the democracy we want to achieve, that is, a decentralized and nationalistic democracy, the establishment of a domestic-consumption market and of an anticrisis economic model that seeks to curb inflation for the long term.

But it is also a pacification model in a society presently besieged by violence. International news agencies and newspapers mainly characterize my country as a country besieged by violence and subversion. In the last few years the dramatic problem of terrorism and subversion have resulted in thousands of deaths. We reject the totalitarian ideology and the justification of violence as the historic factors that inspire these groups. We will answer subversion with the enforcement of the law and the tools of democracy, and by sternly combating it through the upholding of the laws and human rights. [applause] But we can understand why terrorism has chosen the most impoverished areas of the country and taken advantage of the exasperating misery of peasants to protect themselves behind the century-old organization of peasant communities and their organizing capacity.

At the United Nations General Assembly, I explained why this has led us to limit our servicing of the foreign debt and why Latin American countries are calling for a regional agreement that will limit the spending of millions of dollars for the purchase of arms, millions of dollars that can save forgotten nations from their poverty. By providing the impoverished regions with lower interest rates through the application of state resources, by stimulating there the consumption of local products, and by recognizing the historical importance that was denied to them, the state will truly identify itself with society, and democracy will prove to be an effective model of development.

The ideological struggle that is presently being waged in Peru, as in other poor nations of Earth, is the struggle between violence raised to an ideology and the democratic system that must prove its ability to solve social problems. [applause] I am fully convinced that democracy will be able to defeat violence, but only through the prevalence of justice and development to benefit the most impoverished sectors. This is because, above everything else, democracy must be based on respect for the most important of human rights, that is, the right to eat.

Mr Chairman, delegates: This is the historic objective of our efforts in establishing a nationalistic, democratic and popular government. This is the objective of rebuilding the historic and geographical consciousness of our people, of historically emancipating Peru; an effort to reassert our nationalism, our democracy, decentralization, the establishment of a solid economic system that will be able to overcome the crisis and the effort to conquer bread, which means peace and freedom.

This is why I gave a brief review of Peru's history: To give an example which may be like the history of your own country and also to show on the 40th anniversary of FAO that the model of democracy based on the better nutrition of its people that is promoted by Peru is not merely an answer to hunger but that it also has a cultural objective that can be the basis of a revolution. [applause] Because we share these objectives with other nations, the Peruvian Government identifies itself with the broader movement of the impoverished nations of the Earth that are represented at this forum. This is why I extend Peru's solidarity to the Nonaligned Movement and to those African nations that are presently experiencing drought and famine. [applause]

Fellow delegates: Among the many experiences you take with you from this conference, take along with you Peru's willingness and determination to identify itself with its own traditions and to meet and overcome obstacles, and tell your peoples that Peruvians are in solidarity with their struggles and hopes. The objective of our government is to demand the right to life. Hunger is not a punishment for humanity. God created the world with intelligence and sufficient resources for life, but the history of the human race and the selfishness of the more powerful have not distributed these resources in a fair manner. This is why we live in a paradoxical world.

We believe in God, we believe in our daily bread and like the old Biblical prophet Isaiah, we retain hope that sometime in the future swords will be beaten into plowshares and spears into pruning hooks. [applause]

PINOCHET ADDRESSES AMERICAN ARMIES COMMANDERS

PY120230 Santiago Domestic Service in Spanish 2200 GMT 11 Nov 85

[Recorded passages in quotation marks]

[Text] President Augusto Pinochet has emphasized that Chile will share efforts to reduce defense expenditures to the extent that such efforts are made by the other countries. The chief of state made that statement before the 14 commanders in chief of the American armies gathered in Santiago. At the same time, the President said the current times demand that the American nations coexist in peace and with progress. President Pinochet talked to the high Army commanders who went to the La Moneda Palace to greet the Chilean President. The ceremony was held in the O'Higgins Hall and at the end, the President addressed his visitors, first cordially welcoming them to our country and noting the importance of their meeting.

"I attach special importance to this meeting because it is being held at a time when the Western world is feeling the strong impact of a brutal offensive intended to impose a totalitarian doctrine that is in its essence contrary to the character of our peoples, which is rooted in the principles of natural law and in the historical and cultural background that identify us. In this situation, each nation faces the challenge to build its own future in accordance with its own needs under a political, economic, and social system conducive to harmonious coexistence and constant development."

Hence, Pinochet said, we have the duty to watch over the republican and democratic institutions so that they will not be corroded from the inside by obnoxious antisocial practices promoted by the dissociating action of the agents of violence and class struggle. He added that the countries affected by economic crises offer opportunities for the actions of Marxism-Leninism, which he denounced as the worst enemy of man's freedom. He also recalled that to attain its objectives, Marxism takes advantage of democratic institutions, assuming false positions in defense of peace and human rights. Behind this deceptive, meek attitude, however, Marxism uses violence as a weapon of political action in order to break down resistance. He therefore emphasized the role of the armed forces.

"The responsibility falling on us as defenders of the sovereignty of the nations we serve gives us the obligation to be constantly aware that international communist doctrine represents a latent danger to the fatherland we love. When communism takes over a country, it not only loses its historical identity but serves the international interests of the Soviets. This was the painful experience Chile had during the 1970-73 period, which forced us to assume a well-defined and decisive attitude in the face of totalitarian communism. The armed forces and the forces of order, along with our people on 11 September 1973, put an end to a regime committed to the Soviet strategy to transform Chile into a new Cuba."

President Pinochet said that the recent years have seen a great effort to overcome economic difficulties and to resist external and internal pressures. He also noted the achievements made in recent years.

"We have set in motion a process of effective social improvement in order to promote the individual self-fulfillment of our countrymen. This determination to defend the threatened fatherland and freedom of our people triggered the most infamous campaign of defamation and misinformation that the world has ever known against our nation and its government. Communism and its active international network of organizations do not forgive Chile for having regained its freedom and cannot forget the defeat suffered in this part of the world. Without trying to assume leadership beyond its own border, the government of Chile believes that its experience can serve as a lesson for fraternal nations. We have instituted a solid institutional system that is equipped with the juridical and political mechanisms to deal with the current reality. This system was established in the political Constitution that was approved in 1980 by more than 67 percent of votes."

Pinochet also pointed out that the armed forces have a clear understanding that defenseless and unprotected democracy constitutes a serious danger to the effective enforcement of individual rights of an economic, political, and cultural nature. In closing his remarks, the Chilean president said that the peoples of the Americas work hard to build their future on solid bases, the main basis being represented by the institutions.

"More than ever, today we cannot remain indifferent to this challenge because we are the moral bulwark and heirs of the noble traditions of our nations. So we must commit all our abilities to their existence and development. The current times demand that the American nations coexist in peace and with progress. Thus, Chile will share the efforts to reduce defense expenditures to the extent that these efforts are matched by the other countries."

Thus, Pinochet said, we will be pursuing the objective of making our nations ever more prosperous. He reiterated his welcome, and the ceremony ended.

Then Pinochet invited the high commanders to a luncheon in the dining room of the La Moneda Palace. The commanders in chief attending the conference come from Argentina, Bolivia, Brazil, Colombia, Ecuador, El Salvador, the United States, Haiti, Honduras, Panama, Paraguay, Peru, Dominican Republic, and Uruguay. The Conference in which these commanders are participating analyzes various military questions and is presided over by the Deputy Commander of the Chilean Army, General Julio Caniza.

COLOMBIAN COMMANDER PRAISES ACTION AGAINST M-19

PY122018 Paris AFP in Spanish 1349 GMT 12 Nov 85

[Text] Santiago, 12 Nov (AFP) -- General Rafael Samudio, commander in chief of the Colombian Army, stated here today that the military action against the M-19 guerrillas who took the Colombian Supreme Court at the beginning of this month is an example for the world.

The Colombian general arrived in the Chilean capital to participate in the 16th American Armies Conference, which is being attended by delegations from 15 countries of the continent. The meeting was opened on 11 November with an exhortation by General Julio Canessa, the Chilean Army commander, to make joint efforts against communism, which he called the main threat to the nations of the region.

During a press conference, Gen Samudio regretted the death of judges, policemen, and soldiers during the battle fought in Bogota to recover the building occupied by leftist insurgents. He added: Fortunately, thanks to President Belisario Betancur's determination, the institutions were saved, giving the world an example of how to act in a similar situation.

PANAMA MINISTER CONSIDERS PRESIDENTIAL SUMMIT

PA121427 Panama City Panavision Television in Spanish 0000 GMT 12 Nov 85

[Text] On the eve of his trip to the foreign ministers meeting, Jorge Abadia Arias referred to the possibility of holding the presidential summit in Panama.

[Begin unidentified reporter recording] Panama aspires to be the headquarters of the meeting of Latin American presidents proposed by Peruvian President Alan Garcia and is making efforts to this end, Foreign Minister Jorge Abadia Arias has said. We all hope, he said, that this will not be a wining and dining meeting, but that it will conclude in immediate results that will end the problems we are facing in Latin America caused by the high foreign debt. This is why the Foreign Ministry is probing the presidents' will. Peruvian Foreign Minister Allan Wagner will soon arrive in our country to finalize details. Five countries -- although their names have been withheld -- have confirmed their participation, the foreign minister said. [end recording]

BUSINESSMEN MEET TO DISCUSS INTEGRATION

PY122239 Madrid EFE in Spanish 0239 GMT 12 Nov 85

[Text] La Paz, 11 Nov (EFE) -- Representatives from Argentina, Brazil, Chile, and Bolivia today inaugurated a businessmen's meeting in this city aimed at promoting commercial exchange between their countries. The meeting is sponsored by the Latin American Integration Association (ALADI) and the Bolivian Integration Ministry.

Latin American experts in the integration field will disclose ALADI's joint economic promotion mechanisms and will analyze the problems faced in promoting exports.

Today Bolivian Integration Minister Fernando Caceres said that the meeting was very important because it will allow a thorough discussion of the results obtained so far by the integration processes. Caceres said that in the case of Bolivia, the commercial agreements signed in the region, within the framework of the integration processes, have not yielded the expected results because of internal factors and mainly because of the restrictions that the countries have imposed on interregional trade.

The Bolivian minister told the Brazilian, Argentine, and Chilean delegates that this is an opportunity to carry out a joint and coordinated task with the purpose of evaluating the agreements and finding alternatives to make them more effective. According to the minister, the agreements reached within the framework of this meeting of businessmen will allow the opening of new markets for the exports of these countries.

Caceres noted that one of the means at hand to increase exports, especially to the neighboring countries, are the ALADIN mechanisms, used in a practical way, which seek reliable markets that will respond to the country's true capacity to export.

Brazilian representative Fernando Miranda asserted that the ALADI must improve its mechanism of support to the countries seeking new markets for their exports. Miranda said that Brazil has opened its markets to many exportable goods of neighboring countries in order to make commercial exchange more fluid.

Mario Chacon Howard, executive of the Chilean Central Bank, explained to the businessmen and experts how to export to his country. He said that the businessmen will find an excellent market for their products in Chile due to the flexible custom tariff system implemented by Pinochet's government.

Jorge Luis Fiori, advisor of the Argentine Customs Association, disclosed information on the measures implemented in this regard by President Raul Alfonsin's government within the framework of the new economic policy.

OFFICIAL SOURCE COMMENTS ON BAKER PLAN

PY121342 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1825 GMT 10 Nov 85

[Excerpt] Buenos Aires, 10 Nov (NA) -- A reliable source today reported that "within the next few days," the executive branch will reveal the "participation and responsibilities" of the 12 people named in the decree that implemented the state of siege, which will continue in force until the 60-day period expires.

Regarding the "Baker Plan" on the foreign debt, the source stated that the initiative "must be evaluated, not so much because of its quantitative meaning," but owing to "its different approach when compared with previous policies" on the situation of the debtor countries.

The spokesman stressed that "before the government allows" Argentina to become the "pilot country" for the plan's implementation, "a series of analyses must be made of the specific aspects that have been proposed" in the U.S. initiative.

In a conversation with NOTICIAS ARGENTINAS, the spokesman stated that the inclusion "of development plans" in the Baker Plan is a positive aspect, and he indicated that since these growth plans "must, among other things, be channelled through the promotion of industries that have comparative advantages," they will be among the topics "that will be thoroughly analyzed."

"The country has an important industrial structure that cannot be left abandoned," the source indicated.

In this respect, he said that "development and growth do not depend only on the debtor countries, they basically depend on the policies that are adopted by the United States.

"The United States has a huge fiscal deficit and it is seeking to compensate for it by hiking interest rates to attract capital, and this has two negative consequences for the debtor countries: They absorb what could be called investment capital and they are obliged to renegotiate their debts at high interest rates."

The source stressed that "the United States tells the world the paths it must use to resolve the situation, but it remains silent regarding its own responsibility in these events."

He then maintained that "each country's industrial structure is a question of sovereignty" and, therefore, it cannot be pressured with "external impositions," and in addition "each country has its own unique characteristics.

"For example, in Argentina's case intensive capital is needed because of the scarcity of manpower, the path to follow is the use of extensive capital."

Justicialist Economist Remarks

PY122243 Buenos Aires DYN in Spanish 1812 GMT 11 Nov 85

[Text] Buenos Aires, 11 Nov (DYN) — Justicialist Party economist Roberto Lavagna today termed "empty of content" the U.S. plan, known as the "Baker Plan," to aid developing nations pay their foreign debt. Lavagna supported the compulsory savings decreed by the government despite opposition to the latter by Nobel Economics Prize winner Franco Modigliani.

In remarks to a radio station in this capital, Lavagna also expressed the "number one" need to reform the financial system to reduce interest rates, although he admitted that it can cause the closing of banks and unemployment.

Lavagna added that "in general, the country is aware that under the current financial system, it is absolutely impossible to promote the growth process in Argentina because interest rates are too high, caused not only by the profits earned by banks, which in many cases are nonexistent, but essentially by the problem of very high costs."

He added that "the reform of the financial system is the number one step that can no longer be postponed if we want to consolidate the success which, somehow or other, has been achieved during the past few months in the struggle against inflation."

He termed "important," but not new, the fact that the Nobel Economics Prize winner Franco Modigliani has agreed with Argentina economists on the need to reform the financial system. Speaking on the consequences of this change, he admitted that "in fact" it could cause the closing of banks and unemployment.

"We have to implement the mechanisms of compensation lest the workers pay the cost of the adjustment, but the only solution is reduction in the number of banks and jobs, which are rather excessive considering the total amount of money circulating in the system," he stated.

He then proposed a process similar to that adopted by the United States and Europe to prevent layoffs in the steelmaking and automobile sectors.

Asked about the "Baker Plan" to refinance the foreign debt of Latin American countries, Lavagna stated that "right now it sounds like an empty box, that is, it has a name but its content is rather vague because it has no specific ideas and it is causing much more noise than what the plan really offers."

On being reminded that Modigliani has opposed the compulsory savings decreed by the government, Lavagna said: "On this point I have to disagree because I believe that under the current circumstances in Argentina, it was the only alternative to guarantee the balance of the government accounts."

ALTERNATIVE ECONOMIC PLAN WOULD LIMIT DEBT PAYMENT

PY082134 Buenos Aires Domestic Service in Spanish 1600 GMT 8 Nov 85

[Report by Roberto Gambino]

[Excerpts] The Development Foundation headed by Deputy Diego Guelar today at noon submitted an alternative to the Austral Plan to Nobel Economics Prize winner Franco Modigliani, who is visiting Argentina.

Before this meeting, Modigliani visited the Economics Ministry, but since there was no official information in this regard, none of the journalists accredited to the ministry were able to talk with Modigliani. But we did talk with Diego Guelar on the economic plan submitted by the Development Foundation.

[Begin recording] This is an economic growth plan for the 1986-1990 period. The basic difference between the alternate economic plan and the Austral Plan is that the Austral plan is based on payment of the foreign debt and adjusts the economy by shrinking the domestic market, decreasing consumption by wage earners, and seriously weakening the medium and small domestic producers, while the alternate economic plan is definitely based on economic growth. It envisages an annual GNP growth of 6 percent, renegotiating the foreign debt by limiting payments to 20 percent of our trade balance for the first 2 years and gradually increasing them until 1990 when we hope to normalize payments. All this is within the framework of an economic growth program [end recording]

JAPAN AGREES TO RESCHEDULE ARGENTINE DEBTS

OW130633 Tokyo KYODO in English 0605 GMT 13 Nov 85

[Text] Tokyo, Nov. 13 KYODO -- Japan exchanged notes on rescheduling of Argentina's external debts in Buenos Aires, Tuesday (local time)[as received] the Foreign Ministry said Wednesday.

The notes cover a total of 12.77 billion yen in debts which the Argentine Government and corporations owe to the Export-Import Bank of Japan and fall due this year, plus debts in arrears at the end of last year.

They also cover 34.87 billion yen and 32.3 million dollars in commercial debts due this year and debts in arrears at the end of last year, which the Japanese Government agreed to insure.

The interest rate on the rescheduled debts will be 7.7 percent a year for ex-im [export-import] bank loans and 7.50 percent for yen-denominated commercial obligations and 9.2 percent for dollar-denominated loans, according to Foreign Ministry officials.

BRIEFS

BALANCE OF TRADE -- Buenos Aires, 31 Oct (TELAM) -- The National Institute of Statistics and Census has reported that the Argentine balance of trade registered a \$3.012 billion surplus during the first 7 months of 1985, and that this figure is 2.1 percent less than the surplus for the same period in 1984. [Summary] [Buenos Aires TELAM in Spanish 2240 GMT 31 Oct 85 PY]

PRESIDENT, PEASANTS SIGN COCA ERADICATION PACT

PY090223 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Nov 85

[Relay by Cristina Corrales from Government House]

[Text] Upon signing an agreement with peasants for the gradual eradication of coca plantations, President Victor Paz Estenssoro today stated that the agreement marks a major step forward in the struggle against the drug trade.

Paz Estenssoro spoke at Government House during the signing of an agreement with a federation of peasants of the tropical region from Chapare and other areas of Cochabamba.

Delivering the keynote address during the signing of this agreement, which is unprecedented in Bolivia and was signed at the request of international organizations, and especially of the U.S. Government, Paz Estenssoro said:

[Begin recording, in progress] ...to be used for the preparation of the alkaloid. A portion of this substance was being exported to other countries, but another portion was beginning to be used by our (?people), although fortunately not by peasants, in Chapare and other townships.

In addition to this important problem of acquiring or beginning to acquire a habit that destroys the personality and physical endurance of man, we are facing another serious problem that is related to a major Bolivian export item: tin.

Everyone knows that U.S. aid is vital for Bolivia. Our country is an underdeveloped nation, and for reasons that I do not want to go into now, our economy has deteriorated sharply, to the point that we were forced to adopt a realistic policy which we realize has been tough in many respects.

Thus, we do depend on U.S. aid, which is conditional on the destruction or eradication of a portion of our coca plantations. And you, friends, by doing what you are doing, by signing this agreement, committing yourselves voluntarily, without coercion of any type, are acting as good Bolivians and patriots who are putting national interests above personal interests and are making it possible for us to receive the aid.

We do not have to use violence with the Bolivian peasants, whom you represent, because you are well aware of national interests, and you are now acting in the best national interests. [end recording]

CENTRAL BANK TO HANDLE PUBLIC AGENCY FUNDS

PY091800 La Paz PRESENCIA in Spanish 24 Oct 85 p 1

[Excerpt] Finance Minister Roberto Gisbert and Central Bank Vice President Jaime Escobar Quiroga have reported that the government has ordered that all public agencies' accounts with private banks be frozen in order to facilitate the control of administrative expenditures and salaries.

The implementation of this step has forced private banks to transfer 1,895,322,485,728 Bolivian pesos to the Central Bank. These funds were withdrawn from the Bolivian American Bank, the National Bank of Bolivia, the Mortgage Bank, the Bank of La Paz, the Oruro Credit Bank, the Bank of Commerce, the Bank of Potosi, and the Union Bank.

Gisbert said: "We froze those accounts last week, seeking a rearrangement within the main state-owned enterprises. We are tightening their expenditures and at the same time reviewing their budgets. We feel that by doing this many problems that occurred in the past will be overcome."

Gisbert said that this government measure calls for all public enterprises, like YPFB [Bolivian Government Oil Deposits], to deposit their funds in the Central Bank.

He explained that the Comptroller's Office will conduct audits on all public agencies to establish their expenditures.

SANTA CRUZ LABOR LEADER REPORTED MISSING

PY122055 La Paz Cadena Panamerican in Spanish 1700 GMT 12 Nov 85

[Excerpt] The news that a Bolivian Labor Confederation [COB] leader from Santa Cruz is missing is causing a stir in this city, and local authorities have still not confirmed that he has been arrested.

[Begin relay from Santa Cruz by unidentified reporter] The disappearance of Walter Rodriguez, a labor leader from the National Roads Service, is arousing public interest. The department prefect was unable to give the media any details of his alleged arrest.

District Prosecutor Alfredo Rojas Valle has said that he knows nothing about such an arrest, but he assumed that Rodriguez was detained on an arrest warrant issued against him in September, charging him with committing abuses and using company vehicles without authorization.

Oscar Saucedo, another National Roads Service union leader, said it is not known where Rodriguez is and that his sector is giving the authorities 24 hours to report his detention or they will start a local and national strike. [end relay]

ITAMARATY REFUSES COMMENT ON ALLEGED COUP TIES

PY091755 Rio de Janeiro O GLOBO in Portuguese 6 Nov 85 p 7

[Text] Brasilia -- Itamaraty refused to comment yesterday on the accusation by former U.S. Ambassador to Chile Nathaniel Davis that the government of General Medici had assisted in the destabilization of the government of Salvador Allende. Brazilian participation in the Chilean military coup is alleged in a book published in Santiago in which Davis states that he was contacted by then Brazilian Ambassador in Santiago Antonio da Camara Canto.

Itamaraty spokesman Renato Prado Guimaraes stated: "No comment."

1.3-TON CONTRABAND URANIUM SHIPMENT SEIZED

PY121619 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Nov 85 p 21

[Text] Brasilia -- In a rural area in Goias the federal police have seized the first contraband uranium shipment in Brazilian history: 1.3 tons of autunite with a high concentration of uranium dioxide. Autunite is used for the production of the so-called "yellow cake," which is the raw material for producing radioactive fuel for nuclear powerplants. The material, believed to be worth about 50 billion cruzeiros, was seized near the city of Divinopolis as it was being taken to the Alto Paraíso airport, 200 km north of Brasilia, for an unknown destination.

"Operation Nuclear" was undertaken jointly by the Goias and Brasilia superintendencies, but the investigation is being conducted by Brasilia delegate Carlos Bernardes Mendes, who must conclude the investigation by 7 December. The federal police have reported that there are indications that the mineral was to be sent abroad, which could result in a serious diplomatic incident. Uranium is considered a strategic mineral that is essential for national security. Only the federal government can engage in uranium prospecting, production, and commercialization.

According to the police, four people are known to be involved in the case. They are Diomar Dias da Cruz, a gold miner; Jeronimo Rodrigues Pereira, the owner of a mining firm in Anapolis, Goias; Benedito Possidonio de Oliveira, the contraband middleman and a retired supervisor of the Goias Finance Secretariat; and Joao Teixeira de Faria, who provided financial support for the operation. Teixeira de Faria, a quack, is known as "Joao de Deus" in the city of Abadiania. Those who are found to be involved may be prosecuted on charges of violating Article 24 of Law 6453, dated 17 October 1977, and they may be sentenced to 2 to 6 years imprisonment.

The autunite mine was located near the city of Campos Belos, 350 km north of Brasilia, in Goias. The National Nuclear Energy Commission (CNEN), which analyzed the seized mineral, has issued a report saying that it is highly radioactive. The mineral is being stored in jute bags in an F-1000-A pick-up truck at the Brasilia Federal Police Headquarters. The pick-up's odometer reads only 1,850 km. The name of the owner of the vehicle, which has no license plates, has not been released. The mineral will be put under the jurisdiction of the CNEN, which will investigate the matter.

FACH HIGH COMMAND COMPOSITION ANNOUNCED

PY121411 Santiago EL MERCURIO in Spanish 5 Nov 85 p C-1

[Text] The Chilean Air Force [FACH] has announced the composition of the FACH High Command for 1986. It was also reported that General Sergio Pinheiro Correa, director general of the Civil Aviation Department, and General Fritz Dreyer Hansen, director of the Operational Support Department of the Logistics Command, submitted their resignations "after long and brilliant professional careers."

The composition of the FACH High Command is as follows: Chief of the General Staff Major General Carlos Desgroux Camus, Commander of the Logistics Command Major General Pablo Saldias Maripangue, Commander of the Personnel Command Major General Vicente Rodriguez Bustos, Transport and Telecommunications Minister Major General Enrique Escobar Rodriguez.

Brigadier General Leopoldo Porras Zuniga will be the Air Force attache in Great Britain; Brigadier General Ramon Vega Hidalgo, director of the Operations Department; Brigadier General Jaime Lavin Farina, 10th Region intendant and commander in chief of the 3d Air Brigade; Brigadier General William Arroyo Zaninovic, commander in chief of the 2d Air Brigade and commander of the Santiago Air Force General Garrison; Brigadier General Fernando Silva Corvalan, FACH inspector general; Brigadier General Pedro Quinteros Sprovera, director of the FACH Intelligence Department; Brigadier General Fernando Romas Vender, commander in chief of the 4th Air Brigade; Brigadier General Juan Arriaza Munoz, chief of the General Support Directorate of the Logistics Command; Brigadier General Jorge Iturriaga Moreira, director general of the Civil Aviation Department; Brigadier General Jorge Massa Armijo, deputy chief of the National Defense Staff; Brigadier General Enrique Fernandez Cortes, 1st Air Brigade commander in chief.

Major General Caupolican Boisset Mujica will be the president of the National Aeronautics Company; Brigadier General Eric Barrientos Cartagena, director of the Communications and Electronics Department; Brigadier General Carlos Martinez Stagno, Financial Department director; Brigadier General Elias Jacob Helo, director of the FACH Sanitary Department; and Brigadier General Enrique Montero Marx will be the Aviation Comptroller General.

JUNTA MEMBER MERINO SAYS DIALOGUE POSSIBLE

PY130138 Santiago Domestic Service in Spanish 2200 GMT 12 Nov 85

[Excerpt] Dialogue is a way for people who have differences to understand each other. This statement was made by Navy Commander in Chief Admiral Jose Toribio Merino, a government junta member, after a regular session of the legislative branch of government. The only people one cannot engage in dialogue are terrorists and communists, Adm Merino stated.

FINANCE MINISTER COMMENTS ON ECONOMIC POLICY

PY121501 Santiago Domestic Service in Spanish 1000 GMT 12 Nov 85

[Excerpts] During the opening ceremony of the 7th National Businessmen's Association Meeting, Enade-85, Finance Minister Hernan Buchi made a detailed analysis of the present economic situation and economic plans for 1985.

Present at the ceremony were Interior Minister Ricardo Garcia, Economy Minister Juan Carlos Delano, Icare [Chilean Institute for Rational Business Administration] Chairman Sergio (Marcman), Jorge Fontaine, president of the Production and Business Confederation, and [name indistinct], vice president of the World Bank Financial Department.

At the beginning of his address, Finance Minister Buchi reviewed the government's economic policy and summarized events over the last 12 years. He noted that the drafting and enforcement of the macroeconomic program is strictly following what has been planned and proposed and that its goals are being met satisfactorily. Moreover, he said that the government has centered its efforts on lowering the unemployment rate and on promoting investments of fixed capital.

Finance Minister Buchi also referred to the inflation rate index, noting that at present it seems that the 25-percent inflation rate that is estimated for this year will be fully achieved. He added that the country's commercial balance recorded a surplus totaling \$666 million during the first 10 months of the year and that based on this we can estimate that this year's surplus will surpass the \$700 million mark. In this regard the finance minister said:

[Begin recording] The current account of the balance of payments shows evident progress in relations to that of last year. The current-account deficit will be about \$1.3 billion, similar to what was originally estimated. This figure is \$770 million less than that of last year. The drop in interest rates abroad has undoubtedly been a great help, but efforts to (?clean-up) the commercial balance were also decisive. [end recording]

The finance minister noted that one of the government's main concerns is to improve the situation of the private sector, and the government will not resort to the indiscriminate rescheduling of debts or the granting of subsidies, both of which are only justified under emergency conditions. Buchi pointed out that he took advantage of this meeting with the business sector to appeal to the production and labor sectors to join efforts and achieve the economic recovery of the country.

Jorge Fontaine, president of the Production and Business Confederation, noted that substantial progress has been achieved at the socioeconomic level, and he urged the business sector to create new job sources and to promote businesses. He also appealed to the business sector and the government to create more job sources and thus achieve the development of Chileans on the basis of the promotion of exports. Fontaine, who was the first speaker in the opening ceremony of the 7th Enade conference, issued a special appeal to the private sector by noting that it is imperative to create more resources within an action plan that encompasses all sectors of the production area.

CUADRA: 'REALISTIC' PROPOSALS ACCEPTABLE

PY130200 Santiago Domestic Service in Spanish 2200 GMT 12 Nov 85

[Excerpts] The government is always willing to hold talks with the opposition sectors as long as their proposals are realistic and appropriate. This statement was made by Minister Secretary General of the Government Francisco Cuadra, adding that the sense of ungovernability of the country has been prompted by activities the opposition has been carrying out since 1983.

[Begin recording] The basic goal of the activities the opposition has been carrying out since 1983 is to produce a sense of ungovernability of the country, a goal shared by all the Marxist movements, that is, the socialists, the communists, the MIR [Movement of the Revolutionary Left], and the movements of the so-called democratic opposition. They have stated that their plan is to bring about the ungovernability of the country through civil disobedience and social mobilization. Quite often we have informed the country that peaceful protests are a favorite way to achieve those goals, thus generating discontent, and (?uncertainty) among the people and [words indistinct] which, in the end, only favor the standing of those who seek the protection of the authorities to conduct their normal activities. [end recording]

In conclusion, Cuadra was asked about statements by a terrorist organization that in Chile, the conditions are appropriate for a rebellion. In this regard, Cuadra emphasized that the Chilean people have a very clear view of their true concerns. At the same time, Cuadra recalled that since 1982, the Communist Party has upheld in Moscow the thesis of preparing an atmosphere of popular rebellion against the government. Cuadra said that the social mobilization sponsored by the so-called democratic opposition cadres are essential to the implementation of the popular alliance strategy.

BISHOP ASKS UNION LEADERS TO END HUNGER STRIKE

PY131132 Madrid EFE in Spanish 2349 GMT 12 Nov 85

[Text] Santiago, 12 Nov (EFE) -- Monsignor Bernardino Pinera, chairman of the Chilean Episcopal Conference, today visited the six jailed union leaders and asked them to stop their hunger strike.

The union leaders were detained 47 days ago in Santiago and are now in their 13th day of a hunger strike.

Union leaders Rodolfo Seguel, Manuel Bustos, Jose Ruiz di Giorgio, Eduardo Valencia, Arturo Martinez, and Mario Araneda are being held responsible by the Chilean military government for the acts of violence recorded during the National Day of Protest staged on 4 September.

Upon leaving the prison in the company of Punta Arenas Bishop Tomas Gonzalez, Msgr Pinera stated that the union leaders listened attentively to the bishops' position and promised to study their petition carefully.

Msgr Pinera added that the episcopal petition is based on respect for life and because we believe that they have already given sufficient proof of their capacity to suffer for their cause.

The La Serena archbishop and chairman of the Chilean bishops added that they are concerned about the leaders' health as their hunger strike completes its 13th day.

ATTORNEY GENERAL APPEALS FOR NATIONAL HARMONY

PA120423 Paris AFP in Spanish 0234 GMT 12 Nov 85

[Text] Bogota, 11 Nov (AFP) -- The nation's attorney general, Carlos Jimenez, today rejected the armed solution adopted by the Colombian Government of President Belisario Betancur to the occupation of the Palace of Justice in Bogota by M-19 [19 April Movement] guerrillas and at the same time made an appeal for national harmony.

In a communique, the attorney general also criticized the government's failure at such a critical moment to consult the Peace Commission, which has been engaged in dialogue with the various guerrilla groups. The document added, however, that "when circumstances bring such brutal destructive forces to the scene, we must resort to the institutional instruments at our disposal if we want to contain these forces."

"Dispersing and fighting among ourselves will not help us Colombians to overcome the chaos sowed by the bloody occupation and recovery of the Palace of Justice, an episode where valuable elements of our national life were reduced to ashes," the document continued.

The attorney general concluded his communique on the bloody occupation of the Palace of Justice, which left a toll of approximately 100 dead, by affirming: "This must be the hour of national harmony, not of useless protests. The country needs to dedicate a moment of reflection in order to avoid plunging into the abyss ahead if it does not coordinate its fundamental objectives."

MAGISTRATES BLAME PRESIDENT FOR REYES' DEATH

PA082127 Bogota Cadena Radial Super in Spanish 0000 GMT 8 Nov 85

[Report by Hernando Rodriguez]

[Text] The Superior Tribunal of Ibague, during a special meeting that ended a few moments ago, unanimously approved a proposal holding President Belisario Betancur responsible for the death of Supreme Court President Dr Alfonso Reyes Eschandia. Dr Jaime Leguizamon Caicedo, president of the Superior Tribunal of Ibague, reads a proposal to this effect:

[Begin recording] We approved a proposal that was turned over to the magistrates and [words indistinct]. It reads as follows: The Superior Tribunal of Ibague firmly repudiates the terrorist acts against the Supreme Court of Justice and the State Council. It believes that the government's [word indistinct], which reflects its contempt for the judiciary, led to the situation faced by the Republic in the wake of the holding of a large number of magistrates of those top institutions due to an absolute lack of protection [words indistinct] by those who are obliged to protect the security of judicial organizations and that of all citizens.

The Supreme Court demands, with anguish and indignation, that the life of magistrates who embody the offended dignity of the nation be protected. Their security was in serious and imminent danger in view of the inhuman and unexpected decision not to order a cease-fire. This was done without taking into consideration that the lives of the most dignified jurists of the country are more important than the capture of some subversives [words indistinct] in Colombian embassies abroad, especially when relatives suggested the implementation of more [word indistinct] actions.

The tribunal urges Colombians to defend the national Constitution, independence, and the judges and the legal state, and urges you to fulfill your duties. [end recording]

Now you will hear the second proposal, read by Jaime Leguizamon, in which President Belisario Betancur is held responsible for the death of Dr Alfonso Reyes Echandia:

[Begin recording, in progress] ...charges the official who reproachfully and negligently left the court unprotected with responsibility for the death of the Supreme Court president. Speaking clearly, I am referring to Belisario Betancur, president of the Republic. Let this be turned over to the House of Representatives with the request that the charge be promoted at the Senate of the Republic by the tribunal magistrates. [end recording]

The first proposal by the Superior Tribunal of Ibague accuses the national government of negligence in not protecting judicial branch officials during this regrettable incident that ended with the death of Supreme Court President Alfonso Reyes Echandia. The second proposal, which was approved unanimously by Tolima magistrates, holds President Belisario Betancur Cuartas responsible for the death of Reyes Echandia, a native of Tolima Department.

EL TIEMPO VIEWS AFTERMATH OF PALACE OCCUPATION

PA112152 Bogota EL TIEMPO in Spanish 8 Nov 85 p 4-A

[Editorial: "Take Advantage of the Situation, Mr President"]

[Text] The country is in a state of "intense sorrow and anger." Few opinion sectors do not feel these sentiments. The Colombian people feel hurt by the treacherous attack against the country's judicial system. It hurt our deepest patriotic sentiments. The senseless attack against the government departments located in the Palace of Justice must be viewed in all of its consequences and proportions. Therefore, we believe that the time has come to ask the head of state to respond to this unanimous clamor for the government to turn the country around and unite it behind the lofty goal of preserving democratic institutions and promoting a great, generous, and higher movement over selfish political infighting. The nation is behind you in the present emergency. However, it could also withdraw its support if the handling of what will come after the conflagration at the Palace of Justice does not correspond to the realistic lesson of the past and the manner in which the future should be faced.

Surely the president can feel the absolute support he has for the manner in which he refused to negotiate with the crazed M-19 terrorists. There is no doubt about this. What is in the balance is the country's institutionality, and any weakness can cause the collapse of one the bases of the state, such as our legal structure. The M-19 was wrong in its attempt to undermine the legal branch and to believe that such a serious matter could be a basis for a deal. In this case, to yield would have meant to surrender all principles. With the country's legal backbone broken, there would have been nothing left of Colombian democracy. The president interpreted the seriousness of the situation and the difference between negotiating on certain terms and refusing to do so on others.

This incident is a milestone in Colombian history. We can and must learn productive lessons from it. The government, headed by the president, must seriously reconsider the manner in which the peace negotiations were conducted and the consequences of the recent past and present.

All this will allow him to head a great crusade, without attempting to perpetuate the marvelous practice of the National Front [system of shared Liberal and Conservative governments from 1957 through 1974], to unite the best children of Colombia around his administrative, political, and economic efforts and to give greater importance to the historic organizations, to give them the necessary strength to carry out successfully the "national purpose" during the remaining months of the president's administration.

Our anxious appeal is not directed to the president alone. It is also made to the leaders of the Conservative and Liberal Parties and to all those who participate in the noble task of leading the Colombian people along political paths, because the institutional and democratic stability of Colombia is threatened. We especially appeal to our party, which is today divided more by personal disputes than by ideological differences. We appeal to all those high-level and middle-echelon chiefs to set aside their personal interests. We ask them to stop "blaming the other guy." Do they understand how we are heading toward collective suicide?

We can no longer continue with the Liberal Party divided into factions headed by leaders whom we respect but who contribute nothing to the image desired by voters who are anxious to see in their political leaders the attributes that distinguished the great leaders of the past. The battle that was waged in this war serves to demonstrate to the political parties that they are inhabiting a different Colombia, one that is writhing in selfish disputes, insignificant personal interests, and worthless causes. The other is covered with blood, torn apart by an ideological struggle in which totalitarianism aspires to replace democracy. In the face of this division, we Colombians -- Conservatives and Liberals alike -- ask ourselves: In which of the two should we live? The decision is clear, and history will ignore anyone who makes the wrong decision.

In the face of the senselessness of the guerrillas and the false idealism that is the result of anarchic sectarianism, one can only place force on one side and the ideals of a policy based on our admirable republican tradition of proven historical greatness on the other. Let those reporters who constantly jeer Colombian democracy in various news media reconsider. Criticism requires a calm spirit and not one spurred by hate. We are seeing the war at our doors. The shots are not being fired in remote regions, and the cannon fire is not being exchanged in El Salvador or Vietnam. We can hear it from the windows of our homes while the blood runs in the streets that we had considered safe from fratricidal struggles. Let us no longer cite "misinformation" to justify the actions of pseudoguerrilla crimes. No one can feel misinformed after what we see with our own eyes and hear with our own ears. Henceforth, whoever wishes to make a mistake does so with the knowledge that he says what he does not hear and talks about what he does not see.

To the president we reaffirm our complete support in this crisis, and therefore we prepare ourselves to face the manner in which he carries out what in our judgment is the principal national task: to gather around him the best of every party. Of them he must demand anxiously, even dramatically, one slogan: Death to "blaming the other guy." Everything will be easy if personal interests are set aside but very difficult under their shadow.

Having written this, the drama ends, and nothing of what was written loses validity. Legitimacy won and collected the sacrifice of an illustrious public servant, Supreme Court President Alfonso Reyes Echandia, who gave his life to fulfill the oath to impose law over force. Supreme Court Justice Maria Ines Ramos also gave her life as proof that the men and women of Colombia are prepared to sacrifice themselves. Let God and the homeland honor them as well as all those who in the name of the Constitution and the law fell victim to insanity, political passion, and class hate.

PEACE COMMISSION PRESIDENT NOTES 'CIVIL WAR'

PY122155 Madrid EFE in Spanish 1836 GMT 9 Nov 85

[Text] Lima, 9 Nov (EFE) -- Fernando Cabieses, president of the Peace Commission, has asserted that there is a war in Peru and that it is absurd to ignore that reality, which has already caused 60,000 Peruvians to flee from Ayacucho and Huancavelica Departments. The Peace Commission was appointed by the present social democratic government of the American Popular Revolutionary Alliance (APRA) to study and propose actions and measures which can lead to the pacification of the country and an end to violence.

The Peace Commission has just reported on the work it is carrying out, saying that the current antiterrorism law, promulgated by the government of former President Fernando Belaunde Terry, should be modified.

The Peace Commission will also propose a pardon for 160 people now being detained for terrorism. Commission President Fernando Cabieses has said that there are about 1,000 people being detained for terrorism in the country. Of these, only 16 have received their sentences, while 60 percent of the 1,000 have been in prison for 2 years without having stood trial. This is the reason for the request for a pardon for those who have not been involved in attacks leading to loss of life.

Cabieses said that the commission is studying ways to alleviate the violence rampant in the country, which stems from three sources: terrorism, antisubversive repression, and criminality. Cabieses said that violence should be replaced with dialogue and reported that between 50,000 and 60,000 people have migrated from Ayacucho and Huancavelica Departments to escape from insurgency and counterinsurgency.

We are involved in a civil war and seeking peace, Cabieses said, adding: In fact we are at war, and it is absurd to ignore that reality.

Diego Garcia Sayan, a member of the Peace Commission, said that in order to achieve peace, human rights must be respected. He added that the commission has a system for receiving charges on human rights violations. Garcia Sayan said that there are 1,300 reports of missing people. These cases should not be forgotten, and those guilty should be punished with the full burden of their crime, he said.

President Alan Garcia said yesterday that massacres such as that of Ancosmarca will never again occur in the country. In the town of Ancosmarca, Ayacucho Department, on 14 August a military patrol commanded by Army Lieutenant Telmo Hurtado killed 69 peasants: men, women and children. Hurtado's guilt was revealed by the Armed Forces Joint Command itself, but the case was then covered up, and Senator Javier Valle Riestra, president of the Senate Human Rights Commission which investigated the massacre, resigned his post, saying that those who defend human rights in Peru are treated as terrorists.

President Alan Garcia met yesterday at Government Palace with 100 inhabitants of Ancosmarca and promised that those guilty of the massacre will be punished. He also promised that Ancosmarca, which is now a ghost town of burned-down houses, will return to its normal life. The peasants reported that the excesses of the repressive forces continue at places near Ancosmarca.

In turn, APRA Secretary General Armando Villanueva said yesterday, before leaving for Costa Rica, that the French newspaper LE MONDE is not telling the truth when it says that the present Peruvian Government is giving in to military pressure not to modify the method of antisubversive struggle. The politician said: A new strategy, which will be used against seditious violence, will soon be made known.

TUPAC AMARUS CRITICIZE APRA GOVERNMENT

PY130100 Lima EL DIARIO MARKA in Spanish 22 Oct 85 p 8

["Excerpts" from the "Our Position" editorial entitled: "Sixty Days That Remove Us From a Different Future," published in the September 1985 issue of VENCEREMOS, the official organ of the Tupac Amaru Revolutionary Movement]

[Text] When Alan Garcia took over the government he broke with the empty ceremonial style that characterized the Belaunde Terry government and imposed an almost dizzy pace on his administration.

From the beginning it became clear, and it was later confirmed, that this is an administration where the initiative lies basically in the hands of the executive. A number of gestures and measures carefully enhance his personal style.

However, the measures taken so far do not indicate any will to change. The freezing of prices is a measure that has been more or less accepted, but other changes have been nothing but palliatives that are accepted in a society deeply split by crisis but which, in perspective, are not solutions to its deep problems.

The intention to employ a very large mass of people needing work is also nothing more than a temporary solution. In addition, there is a skillful political use of this call to the unemployed and underemployed which seeks not only to broaden Garcia's political base significantly, but also tendentiously seeks division by saying that the workers organized in unions are privileged people.

This will not be a government for the workers. The organized masses are a difficulty for the economic plans of the American Popular Revolutionary Alliance [APRA]. Its treatment of the Interunion Confederation of State Workers, the Maritime Industrial Service, the National Urban Transport Enterprise, FAMESA [not further identified], and other organizations are not isolated events, but part of a plan. Although the economic model has not yet been defined with precision, it can be foreseen that the new pattern of capitalist accumulation will be partly applied to the internal market, and in the salary-profit struggle this requires that salaries be kept low with minimum increases.

Therefore, it is no surprise that the aim of the Plaza de Armas meeting is the organization of the nonorganized sectors.

Political steps are taken to control inflation instead of applying economic measures. Inflation is a structural problem with an inevitable tendency to worsen.

The money obtained from the increase of the price of gasoline is still the main source of state income, just as it was under the former regime.

The "Peruvian proposal" of using 10 percent of export income for the payment of interest on the foreign debt is not an answer in accordance with the serious situation we are going through. It has been mathematically demonstrated that the payment will exceed the famous 10 percent and that this formula increases the debt.

Irregularities reported recently revealed such an unprecedented cruelty that this government, which is trying to create a new image for itself, could not tolerate them because doing so would have meant throwing overboard the entire initial effort just a few days before the scheduled presidential speech at the United Nations.

However, even though the dismissal of the generals is an unheard-of measure taken by a president, in our opinion the main problem -- the implementation of a counterinsurgency strategy tantamount to state terrorism and a dirty war -- remains unchanged.

The intention now is to accuse only a second lieutenant who has behaved in a particularly ferocious way, thus exculpating his superiors. Those who are really guilty and have given orders based on the national security doctrine, such as General Sinesio Jarama, are merely moved to other posts.

What we charged from the beginning has been sufficiently proven, namely the complicity of the former regime in psychopathic savagery. The presence of repressive forces in the emergency zone is characterized by disappearances, kidnappings, tortures, and executions.

Fernando Belaunde Terry, Noel Morál, and the other gangsters should be put on trial. The people cannot overcome their amazement at learning that those horrible crimes were committed in the name of democracy.

If the APRA acts consistently, it should bring the officers and Belaunde Terry, as former president and commander in chief of the Armed Forces, to trial for explicitly endorsing the sinister and abominable dirty war since the state of emergency was decreed. If the APRA does not do so, it will become the accomplice of the one who linked democracy with state terrorism in Latin America.

Even the cancellation of the petroleum contracts is no more than an initial gesture, because it is not important to propose new contracts. In this case the important thing is not only the cancellation, but also claiming the millions of dollars which those big companies have taken out of the country.

So far this APRA government has not even been true to its history. When its bitterest enemies came to power they granted an amnesty to dozens of APRA members detained for political actions. Many of them were even involved in bloody crimes. The amnesty permitted the return of the exiles. Several of those who benefited from the amnesty are now congressmen.

The present government has decided not to grant an amnesty and to deny the status of political prisoners to those who were in arms against the former regime and the system. This attitude of the APRA, or APRA majority sectors, reflects the nature of the party.

Over 1,000 prisoners -- guerrillas, peasants, and city workers -- are rotting in prison because of the callousness of this government. It even ruined and reviled the prison director because he disagreed with the official word and admitted that there were political prisoners.

This government has shown only that it can skillfully manage a crisis, but no measures appear which would lead the country toward a "different future."

Human Rights and the APRA

This is an aspect of fundamental importance in the political picture of the nation. It seems that the APRA members do not agree on the subjects of human rights and the handling of the war. The spectrum goes from Senator Javier Valle Riestra's statements and actions in defense of human rights and of dialogue with the armed institutions to the silence of accomplices of the sectors known to be most conservative.

The serious and compromising fact is that his government knew perfectly well that the Armed and Police Forces stationed in those places are violating human rights and that the peasants are subject to summary executions.

When Alan Garcia was a candidate he campaigned in Ayacucho, and on his return he stated that human rights are not respected and that he had seen dead bodies on the roads.

It is therefore remarkable that the new government has not taken immediate steps to stop brutality and genocide. It has permitted the continuation of the counterinsurgency strategy of demolishing villages. It has permitted the Armed Forces to continue exercising unlimited power.

The resolutions dismissing the chief of the Joint Command and Generals Jarama and Mori are not the result of any previous decision to put an end to state terrorism. The government and, above all, the president found themselves compelled to take that step because of the discovery of the Pucayacu mass graves and the Accomarca massacre, which were reported by the press.

This means that the situation of abuse, arrogance, and extermination would have continued if the dailies had not reported those horrible crimes committed by the police and the military. It is even said that there was a delay in setting up the "Peace Commission."

LE MONDE INTERVIEWS PRESIDENT SANGUINETTI

PM121205 Paris LE MONDE in French 3-4 Nov 85 p 3

[Interview with President Julio Maria Sanguinetti by Marcel Niedergang in Montevideo; date not given]

[Excerpt] [Niedergang] Why is a "Nuremberg trial" being conducted in Buenos Aires and such discretion being shown in Montevideo?

[Sanguinetti] I would say that it is the Argentinian case which is surprising -- the fact that the military are on trial in Buenos Aires. That is the exception. Look at Brazil: There has been a transition to democracy, and the generals are not on trial there. And what about Bolivia? The new democracy is not dragging the officers before the courts. The Peruvian military handed over power to the civilians in 1980, and nothing happened. The same is true of Ecuador. The same happened in Colombia an even longer time ago. No, we in Uruguay really do not feel ours is a special case.... If Argentina is setting a different example it is because the repression there was particularly fierce, a real genocide, and, let us not forget, there was the Malvinas war....

[Niedergang] Are the human rights organizations here in Montevideo not protesting?

[Sanguinetti] Listen, some of our military may bear some responsibility, but the terrorists also bear a heavy burden. However, they were granted an amnesty. It is only natural to grant the military an amnesty too.

[Niedergang] But will there be a retrial of the Tupamaro militants who have been released and were sentenced for violent crimes?

[Sanguinetti] No, no, not at all. There are no restrictions on the amnesty. It presupposes the elimination of the crime, unlike a pardon, which cancels the sentence but not the crime. The problem is that we decreed an amnesty for all crimes, aside from violent crimes. For such cases, it is therefore an amnesty which is still being examined. The prisoners who were in this position were released, but the crime remains. To speed up releases, each year of time spent in prison is counted for 3 years. So everybody was released. A system of judicial review was therefore instituted to ensure that everything was in order. It is purely a technical matter. It was the only way of pacifying the country and drawing a complete veil over the past.

[Niedergang] So for the time being you are enjoying a real political consensus?

[Sanguinetti] Yes, I think so. The political class understands the situation and accepts and respects the government's desire to seek conciliation, tolerance, and reason.

[Niedergang] On the other hand, the trade unions are giving you a hard time.

[Sanguinetti] That is true, but I think it is one of the consequences of the dictatorship. For 12 years there was no trade union movement. So it is natural for the trade unionists who are resurfacing not always to have a responsible and mature attitude. In addition, the new generation of trade unionists lacks experience. I am aware of this when having discussions with them. They do not know basic things, and they sometimes even surprise themselves. I would say that we have trade unionists who are too fanatical on one side, and bosses who are too depressed on the other.

[Niedergang] Are they really depressed?

[Sanguinetti] Yes, they are depressed. At the end of the seventies the bosses felt stimulated. That was a period of expansion in world trade. It was an artificial stimulation. And one day the system collapsed with a whole series of bankruptcies. We must now restore their confidence, encourage them to invest and produce, and, on the other hand, we must try to calm down the trade unions.

[Niedergang] So this is a relative state of grace after 7 months in power?

[Sanguinetti] Yes. On 2 March, when the foreign delegations arrived for the official ceremonies, we had a wildcat strike at the airport. Nobody really knew who was on strike or why. The new government had not really had the time to make a single mistake. And yet there was a strike. When you talk with the trade union leaders, they all agree that the government should be given a truce. But each corporation thinks it is a special case. We have suffered a great deal from this state of mind since 1 March. There have been at least 60 strikes. And this situation is continuing....

[Niedergang] You have a fairly reasonable position on foreign debt questions. You want negotiations with the IMF and the banks. And yet you sent a strong letter of warning to the industrialized countries meeting in Bonn.

[Sanguinetti] But this is not inconsistent. The Cartagena group is calling for fairer debt repayment conditions by putting forward the principle of joint responsibility. We Latin American leaders have responsibilities which we do not deny. Those who cheerfully gave loans to the developing countries are also responsible. They believed in the goose which lays the golden eggs, in unlimited growth. We Uruguayans are not advocating the nonpayment of the debt or a "strike" by the indebted countries, because we do not want to isolate ourselves from the financial world. And if we do not develop for lack of funds, how will we repay our debt? We want a just, responsible, negotiated solution.

[Niedergang] The answer from Bonn was not very encouraging.

[Sanguinetti] No, not at all encouraging. We were very disappointed. I do not think the industrialized countries are yet really aware of the serious nature of the debt problem. The United States is no more aware of it than the others. It is disregarding the political and social implications. There may be a social explosion in Latin America if growth stops. You can close your eyes to that, but the explosion will happen just the same.

[Niedergang] What do you think of the Havana conference on the debt organized by Fidel Castro?

[Sanguinetti] To the extent that it was a forum for reviving interest, it was constructive. Of course, too many participants expressed extreme views and simply said that the debt should not be paid. That gave a special political tone to that forum. But no formal recommendation was adopted. I hope that the banks, financial bodies, and governments of the rich countries will have taken note of the fact that the debt is also a political subject and that it is very easy to exploit politically.

[Niedergang] Henry Kissinger heeded you, since he called for a Marshall Plan for Latin America.

[Sanguinetti] This is very important and significant, especially in view of who Dr Kissinger is. After all, the Havana meeting was attended by people who were already convinced and converted. But when somebody like Kissinger, a Republican and a conservative who has also hitherto not been concerned with Latin America, speaks out, it shows that we are right to shout out our anguish.

LUSINCHI, PRC PREMIER TO SIGN AGREEMENTS

PA120348 Caracas Television Service in Spanish 0000 GMT 12 Nov 85

[By Elsy Barroeta]

[Text] Chinese Premier Zhao Ziyang arrived at the Miraflores Palace at 1035 this morning. The video shows the vehicle stopping in front of the door leading to President Lusinchi's office. As you can see, the Chinese premier was accompanied by an entourage made up of the foreign minister, a state counselor, a special assistant, the deputy minister of economic and foreign trade relations, and, of course, the Chinese Ambassador to Venezuela. Foreign Minister Simon Alberto Consalvi and Carmelo Lauria, minister of the Secretariat of the Presidency, accompanied President Lusinchi during this meeting.

In addition to discussing foreign policy matters during the meeting, which lasted approximately 2 hours, the two leaders discussed relations between the two countries in the cultural and commercial fields. In this regard, they agreed to sign trade and oil cooperation agreements tomorrow, in addition to implementing an executive program based on a cultural agreement signed some time ago. This executive program will last 3 years and is aimed at expanding cultural exchange programs between the two countries.

At the end of the meeting, Foreign Minister Consalvi said that it had been fruitful and very positive. He gave us some details regarding the trade agreement to be signed tomorrow.

[Begin recording] We are going to sign three agreements: a trade agreement, an executive program for the next 3 years in the cultural field based on a previous agreement, and an oil cooperation protocol. [end recording]

At the end of the meeting the two leaders exchanged gifts, as is customary on these occasions. The Chinese premier's gift to President Lusinchi was an ornamental piece made of amber, representing the plum tree flower, a very typical Chinese flower which blooms only in winter. President Lusinchi presented the Chinese premier with a coin collection profiling liberator Simon Bolivar's life and a book on the Liberator.

The Chinese visitor will also meet with other representatives of the country's economic sector and will sign an agreement with President Lusinchi at the Miraflores Palace tomorrow.

EXCELSIOR INTERVIEWS DEFENSE FORCES CHIEF NORIEGA

PA070523 Panama City LA PRENSA in Spanish 6 Nov 85 p 12a

[Report on an interview with General Manuel Antonio Noriega, commander in chief of the Defense Forces, by EXCELSIOR correspondent Salvador Martinez Garcia at Defense Forces Headquarters on 3 November]

[Text] Panama, 3 Nov -- General Manuel Antonio Noriega, Panama's "strongman" -- short in stature, of hostile countenance, and generally reluctant to grant interviews -- agreed to talk with an EXCELSIOR correspondent to explain that in this country, "as Omar Torrijos once said, we have a people in uniform, and now we have here the first generation of a marriage between the people and the Armed Forces, which has deep roots and is difficult to separate."

Noriega, who has a clear vision of his country's development as well as Central America and the rest of the world, admitted there is U.S. "interference but not imposition" in national life, endorsed the holding of a Latin American summit here to discuss the debt problem, and warned that if Contadora did not exist the differences in Central America would have gone to "the theater of war" rather than at the negotiating table.

The interview took place in his offices at the General Defense Forces Headquarters, which until a few years ago were used exclusively by the U.S. Armed Forces but which now, in Panamanian hands, have changed their cold and harsh military aspect for one marked by hospitality and comfort.

Concerning the possibility of maintaining a civilian government in Panama, Gen Noriega answered directly and to the point:

One-hundred-percent success depends on a number of elements: An advanced line of work is required, and the Defense Forces must work for their people, government, and president," he answered. It is also necessary to have "a political line characterized by democratic discussion between the president and his government team or the political parties that support him, the ministers, and the Defense Forces," he added.

According to him, this is what happened with President Nicolas Ardito Barletta, and this is why he resigned so that First Vice President Eric Arturo Delvalle could take office as president. He denied that the United States exerted any pressure supporting Ardito Barletta's candidacy last year. According to him, economic reasons influenced developments.

To the left of his executive-type desk there is a comfortable three-piece living room set; in front of his desk three television screens show confidential [confidential] programs from the United States. The above pieces of furniture fill the comfortable but small office of commander in chief of the Defense Forces. There Noriega commented on the friendship between Ardito Barletta and Miguel de la Madrid, stressing:

"President de la Madrid is extremely intelligent, and his great vision does not stop at trifles. In general, he takes flight like the eagle represented on his national coat of arms."

He added that bilateral relations between Mexico and Panama have always been very good and have been expanded. He cited joint actions within Contadora; various economic, diplomatic, and cultural agreements signed by President Aristides Royo; and other accords, like the San Jose Agreement, of which "we are beneficiaries."

He also commented on Panama's decision to maintain relations with all countries, respecting each nation's view on the integration of their governments, within a framework of reciprocity.

Wearing his olive-green fatigues, Noriega shows through his gestures his determination to be precise and clear in his statements. His intentionally low tone of voice and slow manner of speaking are further evidence that he does not wish to speak without thinking carefully about what he is saying. As a militaryman, he is used to commanding and giving orders rather than making statements to the press, which he usually avoids.

During this 45-minute interview, however, he agreed to answer all of this correspondent's questions on U.S. influence in Panama. He explained that "as a pole of power, U.S. influence extends to the Patagonia, and for this reason we cannot deny that there is U.S. interference in the national life, but there is no imposition."

He added that between the two countries there is permanent communication and that it is necessary to maintain a relationship and achieve understanding not only with this country, but with the entire hemisphere, because here in Panama is one of the biggest U.S. interests -- the canal.

He warned, however, that as a state, a world political organization, and a policy of development, "it is not" to U.S. "advantage to cause any harm to Panama, because this would have a doubly negative effect on the United States itself. It is to U.S. advantage to strengthen both the government and the people, because they are the custodians of their work, the canal."

Regarding the foreign debt as a weight on the Third World countries, which is plunging their people into poverty, Noriega said that each person has his own theory and that there are also different solutions to the foreign debt, just "as there were different ways in which each country managed to fall into debt or allowed itself to get into debt."

He said, therefore, that the position of Cartagena, Cuba, Peru, or Mexico "should not be criticized, but understood. Each country has to find its own method and implement its solution to the foreign debt problem. Even Mexico is now seeking a position that is more Mexican, just as Panama is seeking a solution that is more Panamanian."

In view of the situation, he added, a Latin American countries' meeting to discuss the foreign debt problem, which was proposed by Peruvian President Alan Garcia and which Panama has agreed to promote, to be held in Panama, "is something very important because it opens the eyes of all the countries to the magnitude of the problem according to the needs, the plan, and capacity of each country, would be like an X ray which would allow to face the problem better." [sentence as published]

With only 2 years as head of the Defense Forces -- he succeeded General Ruben Dario Paredes on 11 August 1983 -- Noriega has tremendous influence in all the nation's sectors, and his activities are similar to those of a head of state.

He visits the country's rural areas where he leads rallies, attends meetings with Democratic Revolutionary Party [PRD] leaders, and travels abroad to meet with statesmen of the most important area or world nations.

Contadora is an important subject, and Noriega has said outright that this group, comprised of Panama, Venezuela, Colombia, and Mexico, has had supporters, admirers, and detractors. "Perhaps many disagree with its views, but everyone agrees that it should exist, because it has sought a solution through dialogue to put an end to the conflicts of the countries of the Central American area."

He said that "if Contadora had not existed, the conflicts among the Central American countries would have been settled through military operations instead of at the negotiating table."

Noriega added: If the Contadora peace plan is finally signed this month this would be a positive step, but perhaps it would be best if it were not signed if it is only going to be a historical document which no one is going to comply with.

He stressed the important role played by Mexico as part of the Contadora Group and the role it will continue playing in the future, "despite the fact that it has to divert major forces to the solving of its own problems."

To emphasize the importance of dialogue as fundamental for finding positive solutions, Noriega referred to the Defense Forces' intervention in the release of the daughter of Salvadoran President Jose Napoleon Duarte. Panama was the country approved by the Salvadoran Government, by the guerrillas, and by Bishop Arturo Rivera y Damas, the mediator in the negotiations.

Panama also guaranteed the exchange of Duarte's daughter, Ines, her companion, and the mayors for the guerrillas and disabled prisoners, Noriega said.

Noriega, who has 23 years of service, was an officer close to Omar Torrijos. Noriega talked with great satisfaction of the PRD, founded by Torrijos, and its victory in the country's recent general elections, and he minimized the charges of electoral fraud made against the government by the opposition. "In Panama the ones who lose never admit their defeat," Noriega said.

He also said that such accusations are part of an international campaign "of a geometric game of the problem, seeking to distort reality for outside consumption and return it to us exaggerated; some groups are using economic resources for this, because they lost power, but they still have the money to pay for their campaigns."

He admitted without concern that these groups could have outside support, because it "always happens that those persons, organizations, or parties who are trying to seize power are in contact with foreign sectors with similar interests to carry out their objectives."

The interview began with a subject that concerns the Panamanian people, the Panamanian opposition, and the international community: the role played by the Defense Forces. Noriega said that to answer the question it was necessary to look back, to when the National Guard prior to 1968 carried out the traditional role of police taking orders from powerful interests which ruled Panama's history and fate.

"Before this landmark in the history of our country, which began on 11 October 1968, the officers, the troops, were just a repressive force to maintain the constitutional order of governments that really did not bear in mind the development of the poor classes, nor did they value the intelligence of the middle and low classes. In other words, youths did not have the opportunity to make decisions on their education, because facilities for foreign or local study were limited."

With Omar Torrijos at the head, the people in uniform, as he used to say, were in the government to carry out a spiritual and mental revolution. There was a symbiosis of the Armed Forces and political youth in the operation of the government to carry out social and cultural changes, to extol Panamanian nationalism.

Noriega added that the Armed Forces then passed from political and ideological persecution to understanding the economic policies that should prevail in a democratic state.

"In no other country in the democratic world are the Armed Forces viewed as allies by the people, workers, and professionals," said Noriega, the third commander in chief of the Defense Forces since the death of Omar Torrijos in an air accident, and today the country's strongman.

LINKS ALLEGED BETWEEN CHURCH, SPADAFORAS, PAPO LEADER

PA091647 Panama City LA REPUBLICA in Spanish 8 Nov 85 pp 1, 10

[Excerpts] In his statements to the authorities, Jose A. de la Guardia, a leader of PAPO [Popular Action Party], said that the Don Bosco Church on Central Avenue in Panama City was going to be used to store weapons and as an operations center for the plan of terrorism and subversion that was going to be carried out in Panama.

De la Guardia, deputy secretary of PAPO, was arrested at 0900 yesterday as he was buying weapons on Fort Clayton.

In addition to the weapons found in De la Guardia's possession, he had planned and established contacts to buy high-caliber antitank and anti-aircraft weapons, M-16's, mortars, M-1's, and shotguns. This was one of the priorities in the subversive plan drawn up by the PAPO member.

We can also state that in recent days De la Guardia had maintained close contact with brothers Guido and Winston Spadafora, which makes them potential suspects in this scheme.

Once they learned of De la Guardia's arrest, both Guido and Winston Spadafora spared no effort to obtain his release. This link with the Spadaforas may be included in the actions that they planned to implement to destabilize the country.

PDC Communique Protests Arrest

PA091911 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Nov 85 pp B-32, B-14

["Communique" issued by Christian Democratic Party; no date given]

[Text] The Christian Democratic Party [PDC] hereby protests the campaign of arbitrary repression by the military hierarchy in openly violating human rights.

New actions took place yesterday within this campaign which provokes clashes among Panamanians in order to resort to force and maintain an antidemocratic regime. These actions are: the arrest and physical abuse of Mr Jose de la Guardia, deputy secretary general of the People's Action Party [PAPO]; the lack of cooperation by the Supreme Court of Justice when a writ of habeas corpus was presented in his behalf; and the violence unleashed by a detachment of the so-called "Dobermen" [Defense Forces anti-riot group] against hundreds of citizens peacefully demonstrating their concern over the fate of arrested persons, an arbitrary situation that in this case we will not denounce before the attorney general in view of his very evident lack of ability.

During the violence noted, several PDC members and leaders were brutally beaten, including Secretary General Raul E. Figueroa and Nelly Broce de Figueroa, Bella Vista representative to the Legislative Assembly.

We hereby advise the national and international public that the actions adopted by the military hierarchy to foil our people's wishes for democracy have nefarious consequences. In order to save Panama from a disaster, the repressive violation of human rights must stop at once, and we must resume the path toward democratization.

Ricardo Arias Calderon, PDC president

PRESIDENT REPORTS NEW DEBT PAYMENT SCHEDULE

PA092238 Panama City MATUTINO in Spanish 8 Nov 85 p 6a

["Starting Point" column, by Griselda Lopez]

[Excerpt] In the framework of an important meeting with businessmen, President Eric Arturo Delvalle talked about the real status of the negotiations on the foreign debt and said that the following agreements have been reached:

1. We have agreed with commercial banks to defer and extend installment payments for 1985 and 1986 without any additional obligations other than those acquired when the debt was contracted. Thus, the final payment of the refinanced foreign debt will be made in 1997 instead of this year and next year.
2. For the acquisition of new credit, which is necessary for the development of the country, Panama is arduously working to draft a program based on a policy of economic growth and the generation of employment.

COSTA RICALA REPUBLICA CRITICIZES DEPUTY FOREIGN MINISTER

Contact With Nicaragua Viewed

PA091841 San Jose LA REPUBLICA in Spanish 2 Nov 85 p 10

[Editorial: "The Government's International Double Game"]

[Text] The people do not like being deceived. The people prefer a known policy, even if it goes against the will of the national majority, to apparent concurrence with the views of the majority. The people just simply do not forgive a lie.

More and more it becomes clearly evident that the Foreign Ministry is playing a double game with Nicaragua. While the Foreign Ministry adopts an attitude of national dignity in the newspapers, it then turns shyly submissive before the Managua government.

If there is a desire to normalize relations with the dictatorial FSLN government, then it should be clearly stated and done. The country will respect the reasons there may be for this behavior, although it may not share them. But if it is true that the government wants to maintain a dignified stand and demand explanations over the murder and wounding of Costa Rican citizens, then it should not be sending secret messages to the persons responsible for these murders and much less should the high-ranking officials of the Yellow House [Costa Rican Foreign Ministry] wag their tails before the assassins and "beg" for a note drafted in such a manner that it barely satisfies us.

It would appear as if Deputy Foreign Minister Gerardo Trejos has been serving as messenger boy in this hustle, which does not seem so uncanny after all, because a few weeks ago this newspaper charged that "a high-ranking Foreign Ministry official" had been seen holding a lively celebration at one of the spots at "El Pueblo" [exclusive restaurant] and had voiced to those who wished to hear him his likings for the Managua regime and his criticism for the policy internally voiced by our government concerning Nicaragua. This individual was none other than our deputy foreign minister, and [Foreign] Minister Carlos Jose Gutierrez was privately notified about this. What the country still does not know is if the deputy foreign minister has been acting on his own initiative, or if he has been following orders passed under the table by his superior. This is the only country in the world in which an ambassador or a deputy foreign minister can adopt stands completely opposed to those of the government that pays them and grants them power, and get away with it, without receiving a gentle tug on the ears for adopting an attitude not in line with the government, something which leaves the national and international public baffled.

It would seem as if the deputy foreign minister secretly travelled to Managua, but it is not known if he had orders. But if he did travel, he has ridiculed the president and the minister, who have repeatedly denied there have been any official contacts with Managua. The arguments about an alleged split personality are all right for a spiritualist meeting, but cannot be accepted in the field of international politics, in the case he now wants to tell us that the one who travelled to Nicaragua -- if in fact there was a trip -- was the lively party goer of "El Pueblo" and not the serious and responsible deputy foreign minister of Costa Rica.

Trejos Greets Tomas Borge

PA112027 San Jose Radio Reloj in Spanish 1200 GMT 8 Nov 85

[Text] Deputy Foreign Minister Gerardo Trejos has stated: It is absolutely false that I had official contact with members of the Nicaraguan Government. Regarding reports that he stopped in Managua on his return from a trip to Europe, Trejos said that the reason was that the Iberia plane in which he was travelling made a technical stopover at Managua's airport.

However, he noted, the only thing he did was to say hello to Commander Tomas Borge, who was at the plane's boarding ramp to greet other officials who were returning on the same flight from Europe.

It was a long 2-hour wait, Trejos said, but in addition to the handshake with Borge and Deputy Foreign Minister Nora Astorga, there was nothing, he emphasized.

Trejos admitted that he knows that some people are talking with the Sandinist government regarding normalizing relations with Costa Rica, but noted that he does not know who those people are. Meanwhile, Costa Rican Foreign Minister Carlos Jose Gutierrez has said that he does not believe it is suitable to reveal the names of those individuals, and hinted that their efforts have not had any positive results. It has been said that a draft exists of the explanations that Nicaragua would be giving Costa Rica on the Las Crucitas case in a search for a normalization of relations.

EL SALVADORBLANDON ON AVALOS KIDNAPPING, MILITARY OPERATIONS

PA082243 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 Nov 85

[By Carlos Mario Marquez -- passages in quotation marks recorded]

[Text] General Adolfo Blandon, chairman of the Armed Forces Joint Chiefs of Staff reported today that the Armed Forces of Liberation [FAL] carried out the kidnapping of Civil Aeronautics Director Colonel Omar Napoleon Avalos. In this respect, Gen Blandon said:

"The Joint Chiefs of Staff have documents proving that Col Avalos was kidnapped by the FAL. On 2 November, a unit of the 6th Infantry Brigade detected a column of terrorists while conducting a combing operation on the eastern side of Jucuaran, specifically in Los Gonzalez village. A clash ensued, which resulted in two terrorists killed and seven wounded. The Army seized war materiel and valuable information, including a document or note sent by FAL commanders to Commander Joel who, according to military intelligence operates in the eastern region, informing him that they had kidnapped Col Avalos. In the document, Commander Joel is asked to maintain absolute silence on the matter, and is informed that the case is being handled by the FMLN's Central Committee. Therefore, the Salvadoran Armed Forces holds the FMLN responsible for Col Avalos' kidnapping and demands respect for his physical and moral integrity."

Regarding the casualties inflicted on the Armed Forces during the month of October, Gen Blandon said:

"We sustained a total of 82 dead and 365 wounded in October. It is perhaps the highest number of casualties this year. Obviously, this is the result of specific incidents that occurred during that month, such as the attack on the CEMFA [Armed Forces Military Training Center] as well as the extensive use of mines by the terrorists, mainly in the country's eastern and northern region, and in northern Chalatenango. In fact, 35 percent of our casualties during the month of October were due to mines; I would say that between 30 or 35 percent. I must say that we are now conducting a number of activities to counter these mining activities, especially by training our units on how to cope with this situation. Thus far, these activities have had positive results. Today I was informed that the Atlacatl Battalion has deactivated 25 mines in north-eastern Chalatenango. Even with the numerous casualties these mines have caused, I must tell you that the morale among the Armed Forces continues to be high."

Regarding the airborne operations, Gen Blandon said: "The airborne operations have been one of the most important changes to improve the Armed Forces operational capacity. We are now capable of reaching any part of the country with an airborne operation; we have the necessary human and material resources to provide air transportation and support. In my opinion, this has been one of the most effective tactics implemented during the past months. Precisely today, we are conducting an operation of this type in the southwestern part of Chalatenango Department. We have also carried out a similar operation in the Tenancingo area. We are not only conducting this type of operation, but others as well, in order to expand our actions throughout the national territory."

Gen Blandon also referred to the border conflict with Honduras: "Regarding the problem or the border dispute with Honduras, we have always expressed our willingness to solve the problem on a bilateral basis. We have supported the government's efforts through its border commission, and we hope that a just and adequate solution to the problem can be found by the end of this period; if not, the treaty itself establishes the mechanism to be followed in order to continue searching for a solution to the problem."

On another aspect, Gen Blandon said that there has been no communication so far with the commando that kidnapped Col Omar Napoleon Avalos.

"In any event, the same handling, the same procedures followed during the kidnapping of the president's daughter will be applied. The Armed Forces will do everything in its power so that Col Avalos can be back in his home safely."

GUATEMALA

U.S. INTERESTS IN RECENT ELECTIONS VIEWED

PA112259 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Nov 85

[Text] Diverse political organizations are analyzing the position they will adopt regarding the runoff elections. Presidential candidates Vinicio Cerezo Arevalo and Jorge Carpio Nicolle will be received in separate private audiences with a ranking U.S. Government official who visited Guatemala this weekend.

The U.S. Embassy is about to release a bulletin that, in addition to informing on the presence of U.S. Secretary of State [title as heard] Elliott Abrams and John Whitehead, responds to the objective of underscoring what is viewed as the absolute neutrality of the U.S. Government regarding the Guatemalan electoral process.

Local political media interpreted such a statement as an obvious reaction to the hints that some U.S. Government structures were involved in the manipulation of the last Sunday's elections. Such charges made by political leader Mario Sandoval Alarcon and raised to U.S. Ambassador Alberto Martinez Piedra, served as the basis for a petition that the U.S. Senate and the House of Representatives form commissions to carry out an investigation of the electoral process in a way similar to last year after the elections in El Salvador. In that case, the investigating commission that was formed at the suggestion of the U.S. Congress found the interference of some U.S. Government departments in the Salvadoran electoral process, Sandoval Alarcon indicated.

Although the liberationist [National Liberation Movement] politician did not mention it, references learned after the postelectoral investigation in El Salvador permitted detecting a clearly interventionist participation by John Kelly, an official of the Agency for International Development, AID, in circumstances that completely exceeded his role of observer in the Salvadoran elections. The findings served to confirm the participation of Kelly in favor of the Christian Democratic Party and its candidate, Jose Napoleon Duarte. Kelly was also in Guatemala last Sunday theoretically as an observer, and his presence here days before the elections has caused a lot of apprehension.

In view of the fact that the charges of irregularities in the 3 November elections and the scope of mobilization of observers such as John Kelly will never be clearly determined, it is probable that both the Supreme Electoral Tribunal and the U.S. Embassy in Guatemala will undertake efforts this week to try to dispel the idea that the U.S. interests had an effect on the course of the electoral process.

MLN Wants U.S. Investigation

PA120417 Guatemala City PRENSA LIBRE in Spanish 9 Nov 85 p 4

[Text] We have evidence that various U.S. institutions were involved in the manipulation of the 3 November elections. This violates Guatemalan sovereignty, Mario Sandoval Alarcon, [presidential candidate of the National Liberation Movement (MLN) Democratic Institutional Party coalition] states in a letter addressed to Alberto Martinez Piedra, U.S. ambassador to Guatemala.

In your capacity as representative of the U.S. Government in Guatemala, I request that the U.S. Congress and Senate create commissions to investigate the 3 November elections held in Guatemala, the letter states.

In view of the above, we believe that the two houses are obligated to create said investigative commissions. As you may recall, a similar commission created by one of the houses to investigate the recent elections in El Salvador found evidence of interference on the part of certain U.S. Government agencies in that electoral process, the note adds.

I wish to point out that my request is inspired in the historical responsibility I have to my country to prevent past attempts to deceive the Guatemalan people from being repeated and in the hope that a lasting democracy be established in our nation, he states.

Sandoval Alarcon addressed members of the press last night, saying that he is not the only one who has found irregularities in the electoral process. Leonel Sisniega Otero, presidential candidate of the PUA-MEC-FUN [Anticommunist Unification Party-Emerging Movement Toward Harmony-National Unity Front] coalition, as well as Jorge Serrano Elias of the PDCN-PR [Democratic Party of National Cooperation-Revolutionary Party] have already denounced the same, he noted. I am not saying there was electoral fraud. I am only saying the electoral lists were faulty, and this is what I request be investigated out of respect for the Guatemalan people, who are disappointed, he said.

The Supreme Electoral Tribunal wrote me to say that my request for the creation of a commission to investigate the electoral lists has not prospered because it was made on an individual basis and not on the basis of my capacity as the representative of a political party. I have already sent a similar request, this time on behalf of the National Liberation Movement, which I represent, he stated.

I wish to point out that the leaflets circulating to invite the Guatemalan people to a protest demonstration were not issued by the party. They are false. They were released by a person or group that seeks to cause trouble, he said in conclusion.

Mejia Denies 'Foul Play'

PA120409 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 11 Nov 85

[Text] Guatemalan Head of State General Oscar Humberto Mejia Victores was emphatic last weekend when he stated that he does not believe there was foul play to alter the results of the 3 November general elections. Gen Mejia Victores said that he refused to believe that the computers used to tally the final electoral results were tampered with, as several political sectors, specifically those that were defeated in the election, have claimed.

Meanwhile, the head of state said he had nothing to say about the opinions expressed by leaders of various political parties and groups regarding fraud or manipulation of the electoral results because that is the exclusive responsibility of the Supreme Electoral Tribunal.

HONDURAS

'SECURITY CORDON' FORMED AROUND SOVIET SHIP

PA102242 Panama City ACAN in Spanish 2150 GMT 10 Nov 85

[Text] Tegucigalpa, 10 Nov (ACAN-EFE) -- Honduran military authorities have formed a strong "security cordon" around the Soviet ship Demyan Bednyy, which is picking up sugar at Puerto Cortes, on the Honduran Atlantic coast.

The ship is having difficulty storing the cargo, and the Honduran National Port Enterprise is helping it with cranes and other special equipment, but even so, it will take another 15 days or so to load the 15,000 tons of sugar that it will be carrying.

This morning the ship, whose immediate port of destination is Nuevita, Cuba, was surrounded by Honduran Army soldiers, and members of the naval forces are preventing anyone from approaching it by sea. Crewmen are not allowed to disembark, and a special order has barred reporters from having access to the ship or from taking pictures of it.

According to unofficial reports, guards in the port area who allowed a local cameraman to take photos of the ship have been punished. The news media in Tegucigalpa have reported that armed policemen threatened to arrest reporters "if they persist in attempts to approach the ship." The somewhat outdated Czechoslovakian-made ship is flying the Soviet flag and has a Soviet crew.

NICARAGUA

FOREIGN MINISTRY ANSWERS STATE DEPARTMENT PROTEST

PA130227 Managua Domestic Service in Spanish 0124 GMT 13 Nov 85

[Communique issued by Foreign Ministry on 12 November 1985; read by Angelita Saballos, director of information and press of the Foreign Ministry -- recorded]

[Text] The Ministry of Foreign Affairs respectfully greets the Honorable Embassy of the United States and takes this occasion to refer to the note delivered to the Nicaraguan charge d'affaires in Washington today by the Department of State, protesting the supposed campaign of intimidation and harassment against Nicaraguan citizens employed by the U.S. diplomatic mission in Managua.

Although the State Department note fails to mention the names of the persons supposedly affected, the Foreign Ministry considers it necessary to point out that the affirmation of the existence of a campaign to the detriment of Nicaraguan citizens in their employment by the U.S. Embassy is unwarranted. At no time have the Nicaraguan authorities acted outside the national laws or of existing treaties.

The situation to which the State Department note alludes, is referred to preventive measures, adopted by the Nicaraguan authorities in the exercise of their legal rights.

The Foreign Ministry deems it necessary to recall that the fact that a Nicaraguan citizen may be employed by a foreign diplomatic mission does not entitle him to any type of immunity or privilege, and the Nicaragua Government maintains its jurisdiction over its citizens at all times. The provision of Article 28 of the Vienna Convention of diplomatic missions exclusively establishes that the exercise of such jurisdiction should not unduly obstruct the functions of the mission.

It is obvious that the measures adopted by the Nicaraguan authorities in no way can be considered as an undue interference in the functions of the U.S. Embassy. Neither is it necessary to speak of the application of diplomatic norms to persons who do not enjoy any type of diplomatic status.

The Foreign Ministry rejects the State Department protest considering it to be outside the context of diplomatic relations, being a strictly internal relation between the State of Nicaragua and its nationals.

The secondary fact that Nicaraguan citizens should work for a foreign diplomatic mission neither diminishes nor weakens the legal-political links between the state and its nationals, and they cannot serve as pretext for undue interference in state affairs.

The Foreign Ministry expresses its concern for the insolent and menacing tone of the State Department note, and expects that the matter, which more than anything seems to be another provocation on the part of the U.S. Government, will not be used to promote a publicity campaign intended to justify a greater deterioration in the relations between both countries. The Foreign Ministry takes this opportunity to reiterate to the honorable U.S. Embassy its deepest consideration. Managua, 12 November 1985

HUMBERTO ORTEGA CONDEMNS U.S. 'MERCENARY' WAR

PA121936 Managua Domestic Service in Spanish 1611 GMT 12 Nov 85

[Press Conference held by Humberto Ortega Saavedra, commander of the revolution and defense minister, with local and foreign correspondents at the Government House in Managua -- live]

[Text] [Ortega] Good morning. We have deemed it necessary to hold this news conference before our people to discuss certain aspects of the mercenary war that Mr Reagan's current administration maintains against our people. It is a war that, for the past few years, has been aimed against Nicaragua's revolutionary government.

Throughout the current year, 1985, the U.S. mercenary forces operating from Honduras and Costa Rica have been dealt serious blows which have prevented the U.S. Government from fostering its plans for these mercenary forces. These plans were not carried out as they thought. On other occasions we noted that the U.S. mercenary forces have entered a defensive process that will lead -- in the next few months and years -- to the total defeat and disbandment of the mercenary forces sponsored by Ronald Reagan's government. This strategic defeat means that perhaps in 1986 and probably in early 1987 these mercenary forces will be reduced to a situation of total passive defense, reducing them to a minimum and insignificant expression as a military force.

When we spoke of the strategic defeat that our forces and the armed people have already forced the U.S. mercenary forces to make, we did not mean to say that there aren't still several battles and clashes ahead.

If we put the enemy on the offensive, this means that our forces must double their fighting so that the enemy will take a greater defensive stand until we knock them out. It is like a boxing match where it is not enough to have the enemy or the adversary groggy [previous word in English] but where he must be knocked out or annihilated. Thus, we seek to completely disband and neutralize the mercenaries' armed activity in the next few months, and especially in 1986. Strategically speaking, the defeat consists of the fact that the United States with its mercenary forces that operate from Honduras and Costa Rica can no longer form large forces that could strategically endanger the revolutionary power in Nicaragua. They can logically deal some blows, but their destiny is total defeat in the near future.

Nevertheless, we wanted to stress this because our Army, our units of all types, the permanent units, the reserve units, and the militia units, must not let down our guard in the face of the process of decomposition of all kinds that Ronald Reagan's mercenary forces are suffering in view of the defeats they have suffered throughout 1985. We cannot let down our guard, because many different battles must still be waged to reduce them totally.

Yesterday, the day before yesterday, in the last few days, we announced the death of 30 militiamen, most of them from Managua, in the area of the road to Rama. This clearly shows that although it is true that strategically speaking the enemy has entered into a process of defeat, the enemy cannot be given the opportunity to deal blows in its desperate effort to make some appearance that will help the greater plans of U.S. imperialism, which seeks to worsen the situation in the region. It was a clear example that the enemy still has some capacity, because its bases in Honduras and Costa Rica still permit its forces to move about and, in this way, to maintain its essential policy of systematically hitting the revolution's economic, social, and population targets.

Because the United States knows clearly that with the mercenary forces it cannot carry out large-scale plans and objectives against the Army, it is well known, and practice shows, that it has decided to have them hit economic and civilian targets in order to war out the country's economy and to prevent the advance of the revolution, especially with the poor peasants, with the middle class peasants, in the areas that are currently affected by the presence of war.

In this regard, we will have various activities in the next few months. That is why the Army's plans for the coming months and next year do not include reducing a single militiaman [as heard], a single man, a single officer, a single weapon from the current levels that have permitted us to begin the strategic defeat of the enemy. On the contrary, we are proposing to the higher authorities of this country, our government, that we need to further strengthen the Army's mobilization capacity in all areas with forces and means so as to allow us to multiply in 1986 the achievements we obtained in 1985 and to accelerate the total process of breaking up the mercenary forces of the U.S. Administration.

We are aware that to the extent that we are able to break up the mercenary arm of the United States, the government will have greater possibilities of carrying out diverse programs in the rural, mining, and forest areas that have been affected by the state terrorism activities of the current U.S. Government.

In the first place, we wanted to briefly refer to this situation. In the next few days within the framework of this situation of consolidation of the national defense, we will proceed to the demobilization of the first contingents of youths of the patriotic military service who by the end of November and the beginning of December will have served their 2 years of active military service in fulfillment of the patriotic military service law, and in fulfillment of the sacred patriotic and revolutionary duty of defending the new Nicaragua.

What does the demobilization of the first youths who have fulfilled their patriotic military service mean for the Nicaraguan people, for the Nicaraguan Government, for the Nicaraguan Army? It shows the responsibility and the seriousness of the Nicaraguan Government with regard to its various national defense plans.

It shows the stability of the national defense plans because at the same time that the youths who have fulfilled their service are demobilized, the government guarantees the replacement of these youths with other contingents, with thousands of other patriots who in recent months registered and are now in the various military units, thus permitting this replacement and demobilization.

The United States, through its mercenary forces in the north and the south, tried to prevent the revolutionary government from having, by November 1985, the strength and stability needed to guarantee this process of demobilization and relief. Consequently, the demobilization proves and shows the stability of the Nicaraguan people concerning their defense, which has thus averted U.S. attempts to create disorder, anarchy, and destabilization in the general defense plans programmed by the Sandinist revolution.

This demobilization of the first groups of youths will be carried out in early December, as I said. It will be carried out through several events in which the Nicaraguan people, the revolutionary government, and the Sandinist vanguard will pay homage to courageous youths. They will give medals of recognition to each one of these youths at a main event and at other subsequent events as the youths are demobilized. The main event will be presided by the president of the Republic.

We want to take advantage of this occasion to refer to the escalation of the U.S. aggression against Nicaragua. In the face of the strategic failure of its armed branch in the north and south, and in the face of the advance of the Sandinist revolution -- despite the economic blockade, the financial, political, and diplomatic aggression, especially despite the big support given to the U.S. mercenary forces through the Honduran Army and the Costa Rican military, and despite the huge force that the United States has launched against Nicaragua -- the revolution advances. [Sentence as heard]

It is advancing with great difficulties, particularly in the social and economic spheres, but it is advancing. One of the most significant advances made is that of national defense in which not only the revolution and Nicaraguan people maintain an operational and military initiative over the U.S. mercenary forces, but in which they are making serious and important progress in the people's organization in the various cities and in the capital, Managua. A great advance has also been made in the creation of the military reserves, the organization of militiamen and their strengthening in the country's largest cities in order to consistently face any interventionist adventure that the United States may want to implement in the face of the failure of its mercenary forces and of other plans aimed against the Nicaraguan Government.

We have been able to make progress in the area of military operations and also in the country's military preparations to repel, stall, prolong, and defeat a direct U.S. military intervention. We have been able to give our people and Armed Forces a clear military doctrine and strategy and an Army structure that is consistent with our decision to defend, repel, stall, and prolong the resistance in the face of a U.S. intervention. These are the advances of the revolution in the area of military defense.

In response to the U.S. maneuvers aimed at destabilizing the Contadora process, as it has been doing during the past few weeks, in response to the absence until today of a serious effort by the U.S. Government to initiate a process of communication, of reasonable negotiation with the Nicaraguan Government, what is left to our people but to prepare themselves for the U.S. military plans, which will result from the continuous failure of their great plans for the mercenary forces?

In this regard, today we are going to mention some things that will show that while the United States is sabotaging any peace process negotiation, especially the Contadora Group; hypocritically talking about human rights and peace; blaming Nicaragua for the problems affecting Central America; and talking about peace, it simultaneously has been creating an entire military situation, a total interventionist and military structure that becomes more visible every day. However, it has clearly been shown to the United States that it will never be able to defeat the EPS, and will never be able to oust the revolutionary government through the use of mercenary forces.

First of all we want to mention a U.S. Government decision, as contained in an agreement, to deliver technologically advanced combat planes to Honduras, probably F-5's. No country in Central America has these planes. For some time, we have been watching every aspect of this matter. We will briefly mention some aspects showing how the United States has been allegedly very concerned about achieving peace through the Contadora Group, but at the same time has hypocritically signed several agreements and commitments through the U.S. ambassador in Honduras, and through different officials, making a mockery of the peace process promoted by responsible governments, which are truly interested in achieving peace here in this region.

From 15 October 1981, Hondurans began diverse negotiations to acquire this kind of air technology. By 7 November 1981, Hondurans were already expecting the arrival of the Northrop F-5 aircraft for their Air Force. They were expecting them in La Ceiba. Later, Colonel [Ortega corrects himself] then General Walter Lopez Reyes during a meeting with the officers said: Now we will be powerful. Soon, we are going to get the F-5's. Later, they spent 8 months negotiating this matter; however, during 1981 they were unable to settle it.

In 1983, negotiations were resumed. In February 1984, the Hondurans sent pilots to be trained at several U.S. schools to learn the technical operations. Recently, we confirmed, we confirmed [Ortega repeats himself] through diverse documents and reports that the United States had reached, or made the decision to deliver these planes.

On the one side this shows that the United States has never been interested in a true peace process. We have information that in the near future, the United States will again give the well-known Piranha-type boats to the mercenary forces. We are expecting an increase in the use of these Piranha boats, especially in Nicaragua's Atlantic coast. The shipments that we have managed to pinpoint will be sent to Nicaragua's North Atlantic ports. We feel that the United States, through Honduras, and supported by its mercenary forces, will try to systematically make its presence felt on the ground as well as at sea, using the Piranha boats in this case in the Puerto Cabezas sector, in the northern Zelaya sector, aimed at turning back and frustrating the peace process, which the Nicaraguan population living in that area have been engaged in regard to autonomy.

This shows then, once more, the hypocritical attitude of those who preach human rights and peace. In addition, in the documents and in the agreements signed between the United States and Honduras there was one on engineering support for Honduras. One of its clauses says that all the engineering activities were reviewed recently in Honduras and the following guidelines were set up -- this is important -- Jeep-Bravo in Palmerola will be there for the next 5 years. This is a document dated 29 May 1985 issued by the U.S. Air Force Department. This document agrees...[Ortega changes thought] This is a document signed by John Calvin. It establishes that this Jeep-Bravo force of Palmerola will be made up of U.S. officers of the High Combat Readiness Command with all its means. This is a joint task force that will operate in Palmerola for the next 5 years. In other words, it is not only Honduran forces involved. This document clearly states that it is a joint U.S.-Honduran force that will operate in Palmerola for the next 5 years. This shows the high spirit of cooperation with Contadora which the United States has always had. This is how the demagoguery worked concerning Contadora and how it works in practice.

The United States has continued to prepare militarily in Honduras to better launch its future aggressive policy against the Nicaraguan revolution.

We also want to point out the U.S. decision to place a spy ship off the Nicaraguan Pacific coast. This ship is assigned to intercepting not only the strategic radio communications of the Nicaraguan Armed Forces but also to intercept all the tactical communications of the Nicaraguan Army in its operations against the U.S. mercenary forces operating from Honduras and Costa Rica. This shows the direct intervention of Ronald Reagan's terrorist and irresponsible policy to support his mercenary forces that murder and destroy the advances of the Nicaraguan revolution on a daily basis.

I am referring to the ARLS 24 (Fin) Ship. It can search the communications of the Sandinist Army in short and ultrashort wave. It can do this covering the ground troops operating in the jungle area, as well as the Naval and Air Force troops. This ship is also assigned to cover all Nicaraguan military and security radio stations. It is also used to control all the air and naval movement exiting and entering Nicaragua. The naval movements in the Pacific of Nicaragua, logically.

This ship also interferes with the main radio frequencies of our Army command. This ship also directs air searches for the mercenary forces against the Nicaraguan revolutionary forces so they can receive supplies. Approximately \$20 million was invested to convert this Navy ship into a spy ship that now operates against our country.

This is another factor in the escalation of state terrorism carried out by the U.S. Government against Nicaragua when it complains that Nicaragua is not helping the Contadora peace process which they so purely, as we can see, lead.

At the same time, there have been more than 431 espionage flights through the use of various aircraft: C-130, U-2, S-130, AC-130, and RC-135 [as heard].

The Blackbird has not passed by this year, but there have been more than 431 spy flights that, added to the presence of the spy ship, represent a continuous violation of our territorial integrity and sovereignty.

For 1986 the United States has plans to carry out various military maneuvers to maintain its presence in the Central American region. These 1986 maneuvers include land operations that supposedly will begin in January. There is an operation called Shining Path, which begins in January 1986. There will be a continuation of the Guardians of the King maneuver, which will also take place in 1986 in the Gulf of Fonseca.

We will now take your questions.

[(Crisaldi)] (Charles Crisaldi), of the [words indistinct] When you mentioned improving the mobilization capacity of the Army were you referring to anything in particular, for example, helicopters...

[Ortega] That is correct.

[(Crisaldi)] means...

[Ortega] That is correct; we are talking of all material, air, ground, and naval means that the plans of the Army require to continue to deepen the defeat of the mercenaries and repel a possible external aggression, even from the United States.

[Unidentified reporter] Are you prepared to fight against piranha-type boats and other type of boats [words indistinct], I do not know how that is said in Spanish?

[Ortega] We are studying that situation.

[Second unidentified reporter] [Words indistinct] of Mexico's (LA JORNADA). Commander, what role is KISAN [Unity of the Nicaraguan Atlantic Coast Peoples] playing, or attempting to play, within the U.S. strategy for the Atlantic Coast?

[Ortega] KISAN could very well be a pawn in this U.S. strategy to, first of all, destroy all the efforts for peace which have been made and, distract the country's efforts from an area that is not very accessible. As you know, the Nicaraguan Atlantic coast is very far from Managua, central Nicaragua, and the Nicaraguan Pacific coast. Access into the Atlantic area is difficult. It stands to reason that imperialism is trying to distract our efforts from that area in their attempt to continue wearing us out in that zone.

[(Vaccaro)] (Gabriel Vaccaro) of (ACHA) [Hispano-American Communications Agency]. Going back to the subject of the Atlantic coast: do you have any information regarding new plans of the Reagan administration to directly introduce groups of [word indistinct] into the Atlantic coast?

[Ortega] They have also tried to have some presence on the Atlantic coast. However, in the past few months, in face of the FDN's [Nicaraguan Democratic Force] and the traitor's southern forces' failure to settle in central Nicaragua, they have begun to look to the remote areas in an attempt to have some success in those areas.

[(Cowley)] (Rita Cowley) of [words indistinct]. Commander, General Ikle recently made statements in Washington admitting that the military initiative was leaning toward the Sandinist troops' side.

Using this excuse, he requested an increase in the budget [preceeding word in English] for aid to the counterrevolutionaries. At the same time, some observers have said that this is one way of getting an increase in the aid to the counterrevolutionary forces and avoid a direct intervention in Nicaragua. How do you view these statements?

[Ortega] I think that is the first truth that the State Department spokesmen have spoken. We do have a military advantage over the mercenary forces. However, they use this truth to justify their military presence in the region by adding that we have other intentions. The truth is that as long as the United States refuses to understand that the only solution is negotiation and peace they will not accept the strategic defeat being faced by its mercenary forces. They will then seek various alternatives to justify their presence in the area. One of the excuses could be the border incidents. The war tends to be stronger at the borders, on the Honduran as well as Costa Rican border. This will continue to be the situation as long as there are mercenary forces in Honduras and Costa Rica. As long as a negotiated solution is not sought, it stands to reason that we, the Sandinists, will never disregard the possibilities of a direct military intervention. This has happened in the past in Nicaragua.

In short, these are military maneuvers and exercises that clearly demonstrate the good will of the U.S. Government's state terrorism policy's contribution to Contadora.

I want to talk briefly about the planes issue. Honduras has combat planes, tactical support planes, training planes, transport planes, reconnaissance planes, helicopters, etc. It has more than 229 aircraft, including 157 planes. You know that Nicaragua has no planes. We have some light planes and some old T-33's left by Somoza that can no longer fly. The United States, in spite of this unequal correlation, has now decided to deliver sophisticated aircraft to Honduras, probably the F-5. This shows once again that the United States maintains a militaristic and terrorist policy of pressure and force in the region against Nicaragua.

Logistic and war materiel support for Ronald Reagan's mercenary forces has been strengthened with the use of naval and air means. It has been done in spite of the fact that they have been strategically defeated. But the United States is interested in maintaining some sort of presence -- made evident with crimes and destruction -- to justify the alternate plans it is promoting because the mercenary forces are being increasingly defeated.

In this regard, you know, there was a show in Honduras when the Honduran authorities, supposedly out of respect for the principle of neutrality, returned a plane connected with the \$27 million that Reagan approved as part of his policy of state terrorism for Nicaragua. All that was just a show to cover up the support that is being delivered to the mercenary forces -- as the \$27 million is being delivered.

We should also point out that the issue about the \$27 million has been just another big show because there has never been a halt to military, transport, helicopter, truck, and ammunition support -- to the main elements that serve to wage war. The mercenaries have always had it.

They receive it through some sectors of the Honduran Army and from the Costa Rican Government, which respond with pleasure, shamelessly, irresponsibly, and adventurously to the U.S. Government's policy of state terrorism, which we all know how it began, but no one knows how it will end.

And lastly, we must point out, as part of the aggressive U.S. escalation against our country -- in view of the defeats that they have been suffering, through the defeats inflicted on their mercenary forces -- that in the past 3 weeks there have been many irresponsible attacks coming from Costa Rican territory on Nicaraguan Army positions on the Nicaraguan bank of the San Juan River, especially in the La Penca sector, where a few months ago our Army uncovered the complicity of the Costa Rican Government, the Costa Rican authorities, with the mercenary forces that had been operating from Costa Rica along the Nicaraguan bank of the San Juan River. These mercenaries were dislodged by our soldiers and are now being nonchalantly supplied and entertained with the support and favor of the Costa Rican authorities on the Costa Rican side of the river.

These gentlemen mercenaries not only dare attack our soldiers from the Costa Rican banks of the San Juan River, but in the past few days, 15 Costa Rican Rural Guardsmen participated, with the counterrevolutionaries, in the irresponsible attacks against our position. All this is aimed at provoking border incidents that will make the neutral, innocent, and democratic Costa Rica appear as the victims of attacks by the savage Nicaraguans. It stands to reason that all this is being done behind the backs of the Costa Rican people who do not support the terrorism of state policy that some irresponsible people in Costa Rica support and maintain.

This is the overall picture of the aggression that we are enduring. We are winning. We must double our energies and our deployments to continue dealing hard blows to the enemies of our people and to prepare for an eventual worsening of the political and military situation due to the stubbornness of the North American government that refuses to admit its failure and to begin a real process of negotiation for peace with Nicaragua which would, once and for all, end the war that is affecting all of us.

[(Cowley)] However, it seems that the Pentagon does not want to intervene; seems that the Pentagon wants to avoid an intervention by increasing its aid to the contras?

[Ortega] We cannot abide by what they want or do not want. We have to think of our defense. We cannot believe what they say.

[Prada] (Pedro Prada), VERDE OLIVO magazine. Commander, you said that a Nicaraguan military doctrine is taking shape. What role will the FSLN, as party of the revolution, have in this doctrine?

[Ortega] The FSLN is the vanguard of our masses. It is the vanguard of the Nicaraguan nation. It stands to reason that the Sandinists are the first to stand by the courageous sons of the country on the front line in the tasks of national defense. The FSLN plays the role of guide; the vanguard. The role it played in the past and plays today. However, the main role will be played by the people. Today these people -- the masses made poor in the past because of the exploitation of the Somozist democracy, the democratic model that the U.S. wishes to impose on us -- despite the difficulties, these workers, peasants, and students, have slowly overcome the situation caused by the exploitation and oppression of the past.

This is what is important. Without these masses the vanguard would not be a vanguard. We are a vanguard because we have the masses. Therefore, the main role in the military doctrine is played by the Nicaraguan masses; the hundreds upon thousands of men who are willing to organize for the defense and pick up a rifle. As far as we are concerned this is the most important factor.

[(Cumber)] (Tim Cumber), London's FINANCIAL TIMES. Commanders, in view of the possibility that Honduras will receive the modern F-5 planes, that the spy flights over Nicaragua will continue, and that the contras may be supplied with new air means [medios aereos], will Nicaragua negotiate the purchase of SAM-6's and L-39 Czechoslovak-made planes?

[Ortega] L-39 planes...

[(Cumber)] [words indistinct] arriving at this moment?

[Ortega] Not L-39's. If we are going to purchase planes, they will be better than the L-39's. That I can tell you; they would not be L-39's. Now, regarding the problem of the planes, it is necessary to point out that in the past few days the United States has started an uproar about Nicaragua arming itself; that a cargo of weapons arrived in Cuba for Nicaragua. Then they flew the Blackbird over Cuba and the Blackbird photographed the weapons that are in Cuba which are intended for Nicaragua, etc. All this is a big uproar to cover up the agreements they have already signed to supply Honduras with more modern equipment, in this manner openly mocking the Contadora process that they have claimed to support; they have also claimed this through the subservient Honduran regime.

This U.S. campaign against Nicaragua about weapons being brought in from Cuba is not only aimed at covering up its arms buildup or justifying the arms buildup in Honduras and the contras, but it is also aimed at creating the wrong idea regarding Cuban-Nicaraguan relations. Nicaragua and Cuba have the relations that Cuba and Nicaragua have sovereignly agreed to have and we do not have to give the North Americans or anyone an explanation on the type of relations that Cuba and Nicaragua have decided to have. This is our right; it is our right of self-determination; we are exercising our rights as free and independent governments. However, the United States builds up this whole situation to create a sinful image in order to say that it is bad to have Cuban-Nicaraguan relations.

If Cuba and Nicaragua have relations in all the fields, that is our business. Cuban and Nicaraguan ships will carry the cargo that Nicaragua and Cuba wish to ship. That is not illegal; it is a legal right of the peoples.

This CIA campaign is so serious that it has, on this occasion, resulted in 30 deaths. The militiamen who died in Managua died because of this U.S. campaign. The United States claims that the Aracely ship that left a Cuban port and arrived yesterday -- this ship was loaded with different types of material as part of Cuban-Nicaraguan relations -- was the cause for the big uproar of the past few days in Cuba. The CIA ordered its forces to destroy the road and bridges and damage the ship. This was done despite the serious blows they received before reaching this area.

This terrorist and irresponsible policy of the United States has already resulted in the deaths of 30 militiamen who were protecting the roads. These Managua militiamen were deployed to protect the Managua-Juigalpa, Juigalpa-El Rama, El Rama-Arlene Sui-Bluefields route. This is a strategic communications network for Nicaragua with the countries abroad. It links Nicaragua with Europe, Africa, the Mediterranean, socialist countries, the Caribbean, the U.S. east coast, Canada, Mexico, etc. This is a very important road for us. The United States sent its mercenary forces to damage the road. This happened since the big uproar they started regarding an alleged shipment of weapons that this ship was bringing to Nicaragua. First, we will not disclose the contents of the ship's cargo and, secondly, there is no reason why we should tell anyone, much less ask the United States for permission, the type of cargo that Cuba and Nicaragua may wish to transport in their ships or planes.

[(Lugo)](Roberto Lugo) of Cuban television. Commander, as political and military leader, and in face of the aggressive plans against Nicaragua, would you please tell us what measures Nicaragua will adopt in the military, diplomatic, and economic areas to confront this U.S. policy against Nicaragua?

(Ortega) Yesterday when the president of the Republic spoke of the Contadora process he mentioned this matter. Not to make this news conference any longer I wish to say that what is most important is the feeling of dignity and patriotism, the revolutionary pride, and the patriotic and nationalistic sense of dignity that the Nicaraguan people have and their determination to continue making its revolution and not to surrender in face of the whims of the policy of state terrorism of the current U.S. government. I think that the people's determination, despite the difficulties caused by the war, by the aggression, and the trade embargo, despite the fact that the United States wants to lead us into a deep crisis that will affect our social programs, education, children, in short, affect the country and its people, is what is most important. The fact that the people are willing to sacrifice rather than surrender to the whims of the United States. We are also aware of the fact that this sacrifice is only temporary. Today we are better off than we were in the past. Today we are better off than before 19 July 1979. Tomorrow we will be better off than today and we will overcome these difficult moments. We are winning and this is why the United States is putting forth every effort to destroy this revolutionary process. Let's hear a couple more questions.

[Chavarria] Frank Chavarria, PRENSA LATINA. Commander, the press has reported on at least three air landings taking supplies to the mercenaries in the northern region. Can you explain, if possible, if with these air landings there has been any material seized. Also, if possible, can this be presented at a given moment to the press.

(Ortega) The enemy maintains a constant flow and it has lately become difficult for them to be supplied from Honduras and Costa Rica and also, from El Salvador. The increased operations by our troops have dispersed the enemy into smaller groups and has made this supply more difficult. However, they always drop a certain amount of supplies by parachute and on some occasions we have even downed some of them. But they always continue their effort.

[Mary Lovely, CBS] Commander, you told us that you anticipate a reduction in the counterrevolutionary force in early 1987, which is quite significant. But then, this leads us to think that there will be a North American invasion here. What does Nicaragua need in material terms to defeat a U.S. intervention?

[Ortega] Nicaragua hopes that there will be negotiations. In other words, to the extent that the mercenary force is defeated, there will be a reasonable negotiation. What Nicaragua requires fundamentally in the face of a U.S. intervention, in the face of a U.S. adventure, what it needs fundamentally is what it already has what it does not need to bring in from abroad, what it does not need to import. It is the people, the people's determination, the people's morale, the honor of the people, the dignity of the people, the pride of the people, the patriotism, the courage, the cunning, the skill, the boldness of the Nicaraguan people, organized in hundreds of thousands of men determined to take the war as far as necessary to repel the aggression. That is the fundamental thing. We do not have the highest quality weapons here, no. That is not what we are going to win with. It is with the organized defense of the people that we are going to win. And the arms of those people, the fundamental thing, we already have it. Then, the most important thing for us is to maintain the morale of the people, the sentiments, the love of the people, to reject the Yankee aggressor, the determination to die fighting and win. That is the most important thing. And we already have this. We will maintain this and care for its always. And logically we will continue our programs of military supply that are agreed upon. Logically, but the most fundamental thing is the masses, it is the people.

[Question indistinct]

[Ortega] The most important thing is morale, because the weapons with a people devoid of morale and determination is difficult, because they cannot do anything. And the armaments that Nicaragua might acquire in the coming years are not as significant, as important to offset the balance of the weapons we currently have. Logically, we will acquire some arms, which we hope will be more qualified than the present ones. But fundamentally, that is not our problem. All right, let us have two more questions and then we will leave.

[Josefina Saldana of the Central American Historical Institute] Apparently there have been many incidents or more incidents of mines placed by the contras on the highways where civilian vehicles pass. Can you tell us if our impression is correct and if this is a new tactic adopted by the contras to interrupt the coffee harvest and to intimidate the national and international pickers or if it is a tactic of dispersion?

[Ortega] In view of the failure of their big plans logically they opt for all types of actions to scare the economic and civilian life of the country. In that sense, this is part of that mode, to mine the roads, affecting vehicles. There have been cases involving civilian vehicles and officials who have been killed by this type of action.

[Alicia Kristov of ABC Radio] I have three small questions. One is, what is the current situation of the Jorge Salazar Command. The second question is, considering the importance that, according to you, air warfare and the FAS [Sandinist Air Force] helicopters have of late, why have SAM's not been used until now -- or I do not know if they have been used.

In other words, why haven't the contras used the antiaircraft force against the FAS helicopters? And the third question is whether you believe more foreign mercenaries will be recruited in this war, such as in the war in Angola, for example.

[Ortega] The situation of the contras is the one I have already described in general. What characterizes it is an ever-increasing defensive. We will not go into detail on this, but in general, the general picture is defensive, an ever-increasing defense. There are still some forces which have a little bit more active defense capacity. But the majority of the forces are currently experiencing a process of passive defense. This is what leads later to a paralyzation, to the disbanding of these forces. Now, as to the reason why the United States has not give the mercenary forces the Redeye [portable antiaircraft missile], so that it can shoot down our helicopters, is simply because the day it appears in the hands of the mercenary forces, it will also appear everywhere in Central America in the hands of leftist and rightist groups and this is dangerous.

The day anyone starts using the Redeye, its use could fall into the hands of terrorists, such as the mercenary forces, or terrorist individuals and then neither civil, private, or military aviation, or anyone could be safe. It would be too dangerous.

This is a weapon that the armies must use with utmost care, because they are the only ones who can control, according to some opinions, its use. Therefore, I think that this weapon has not been used because it also can hurt them. What else now?

[Third unidentified reporter] What about the presence of foreign mercenaries?

[Ortega] There have always been mercenaries there, particularly Cuban worms [term used to describe Cuban counterrevolutionaries], Argentines, and others. It is not an easy process. For instance in Costa Rica, there are some Europeans and U.S. citizens in jail, who worked with the mercenary forces. There is a possibility that they will try to increase the number of mercenaries. However, it is not that easy.

[Vargas] Commander, I am (Efigenio Vargas) of Mexican television. Guatemalan and Salvadoran newspapers carried in an eight column headline that Nicaragua has rejected Contadora, and the editorials comment that this has been the final blow to the Contadora process. In addition to the situation in Colombia, this is what the papers commented on. What is your opinion? Have you rejected Contadora? Will Contadora collapse if you do not sign the peace document?

[Ortega] Commander Daniel Ortega, president of the Republic, talked extensively about this yesterday. I can simply add, as I have already done, that it has been the United States which has constantly tried to boycott, to sabotage, to pressure, to distort, and use as a blackmailing instrument, the Contadora process. Peace here simply depends on the United States. No matter what agreement we reach, the United States is going to violate it whenever it pleases. For that reason, Nicaragua will continue to make every effort to negotiate, but not to commit suicide. That is clear.

POLITBURO MEMBERS ATTEND ANGOLAN EMBASSY FETE

FL121328 Havana Domestic Service in Spanish 1200 GMT 12 Nov 85

[Text] Commander of the Revolution Juan Almeida, Sergio del Valle, and Jorge Risquet, Politburo members, have attended a reception by Angolan Ambassador to Cuba Manuel Pedro Pacavira to commemorate the 10th anniversary of the independence of Angola. Earlier, Sergio del Valle had given the closing speech at the main ceremony commemorating the 10th anniversary of the independence of the Angolan people, held in the Lazaro Pena Theater of the Central Organization of Cuban Trade Unions in Havana.

INTERNATIONAL URBAN PLANNING MEETING OPENS

FL122251 Havana Domestic Service in Spanish 1914 GMT 12 Nov 85

[Text] Today in Havana's Palace of Conventions the first international meeting on urban and regional planning opened. It will continue through 14 November. Architect Cecilia Menendez Llanes, director of the Institute of Physical Planning and Central Committee alternate member, said at the opening ceremony that our main merit in this area is not the nature of the solutions themselves but having been able to implement them. She added that if it is important to exchange experiences and collect knowledge on the most adequate methods and techniques to solve development and urban problems, it is more important to think about real possibilities of applying them. In conclusion, she said that physical planning in Cuba was created and developed comprehensively along with the revolution.

CTC NATIONAL COUNCIL MEETING ENDS 12 NOVEMBER

FL130056 Havana Domestic Service in Spanish 0000 GMT 13 Nov 85

[Text] Politburo member Jose Ramon Machado Ventura presided over the 51st meeting of the National Council of the Organization of Cuban Trade Unions, CTC, in Havana's Workers' Palace this afternoon. Roberto Veiga Menendez, alternate Politburo member and CTC secretary general, made the closing speech.

[Begin Veiga recording] This meeting will also be a foundation that will enable the CTC National Committee to prepare and approve next year's plan and with it continue Fidel's economic strategy. [end recording]

Those attending the meeting agreed that it was necessary to revise the enterprises' basic regulations, struggle for economic efficiency, really make bonus incentives an instrument which rewards results and not good intentions, and increase export goods. The agreements reached at the 50th National Council meeting were ratified. Over 80 people addressed the meeting.

UDENHOUT APPOINTED FINANCE PLANNING MINISTER

FL121800 Bridgetown CANA in English 1704 GMT 12 Nov 85

[Text] Paramaribo, Nov 12, CANA-REUTER -- Suriname's military Government says it has appointed Prime Minister Wim Udenhout as joint finance and planning minister after the resignation of Finance Minister Wer Kleine in September. Udenhout had been in charge of the ministry on an interim basis since Kleine's resignation over unspecified differences with other members of the cabinet.

Udenhout, who was appointed last January to oversee Suriname's transition to democracy by March 1987, is also minister of general (political) affairs.

BRAZIL GRANTS CREDIT TO BUY MORE ALUMINA

FL1121540 Bridgetown CANA in English 2226 GMT 9 Nov 85

[Text] Paramaribo, Nov 9 CANA-REUTER -- Brazil has granted a 20 million dollar line of credit to Suriname and has agreed to buy more alumina from the former Dutch colony, Prime Minister Wim Udenhout said.

The credit facility would be used to purchase raw materials and consumer goods from Brazil and finance productive investment, he told a press conference to outline the results of his recent visit to Brasilia. Udenhout said Brazil had agreed to boost its purchases of Surinamese alumina by 50 per cent to 130,000 tonnes per year.

Brazil would probably import Surinamese alumina until 1989, when its own refinery for processing bauxite ore is due to come on stream, he added. A mission of Brazilian experts will visit Suriname shortly to look at the possibility of establishing local factories to produce soap, bricks, glass and paper, the prime minister said.

The mission would also explore ways of exploiting Suriname's lumber resources and solar energy, he added.

Udenhout also announced that the first shipment of goods ordered under an 18 million dollar (U.S.) credit line from Taiwan earlier this year would arrive next week.

Suriname is suffering a severe foreign exchange shortage due to low world prices for its bauxite exports, and the withdrawal of Dutch aid in protest at the Army's execution of 15 opposition leaders in December 1982.

Last September, Walter Kleine, the then finance minister, said Suriname's liquid reserves were down to only 650,000 dollars.